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CANADA'S WEEKLY NEWSMAGAZINE

# Maclean's

JULY 5, 1982

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### COVER

#### A prince is born

In the busy aftermath of the Falklands victory, Britain was again swept with jubilation when Princess Diana gave birth to a healthy boy. The little prince will inherit 12 centuries of royal heritage as well as fabulous riches, living a life millions will envy immensely. For Princess Charlot, the event provided all the joys every new father feels.

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#### A new chance for peace

As the people of West Beirut counted their dead and wounded, behind-the-scenes diplomacy on three continents sought to procure a delicate ceasefire.

—Page 46



#### To Canada with love

With Lorraine Hank's photo selection and Harold Town's introductory essay, a new publication celebrates the country in all its varied moods.

—Page 49



#### The general quits the fight

Secretary of State Alexander Haig resigned after 18 stormy months of frequently public battles with senior members of Ronald Reagan's White House staff.

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#### A secret romance

Beautiful Gracinda Princesa Carolee of Mexico has a famous new boyfriend. They were discovered succumbing on a remote South Pacific island.

—Page 41

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Maclean's July 1, 1992

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EDITORIAL By Peter C. Newman



## A birthday for the best of places in the worst of times

Seldom, if ever before, has July 1, our national birthday, taken on such evil overtones. The tale of the unrepentant has surpassed the number of Canadians mobilized to fight the Second World War. Our present intentions and future aspirations are being poisoned by sky-high interest rates. Our dollar has become a joke.

Yet, in a curious way, these and other problems have made us more aware of the abiding grace of our physical surroundings. In earlier and more carefree days, our astreismic geography was largely ignored as a majestic backdrop.

To remind Canadians of just how splendid a country we inhabit, this issue features an excerpt from Lorraine Monk's dazzling new book, *Canada With Love* (pages 48-60). In his accompanying essay, artist Howard Town notes: "Canada is a vast, half-frozen landscape in search of a country. As a people we are chained to the mystery of our endless sky, to the sudden flooding rush of spring, the fat bus of summer, and the ruthless death of winter through which in every crack of ice we see the green promise of a mystical tomorrow. We are wanderers in the largest uninhabited country in the world, refusing to weld ourselves into a specific people who bear a banner of race and mission. Unlike nations with a perceived destiny we do not push out from our frontiers to claim a larger part of the planet either through war or cultural influence."

This will to survive is at the core of what it means to be Canadian. We may be a nation in trouble but we are here, and it is our shared, if subtle, sense of place that has made us unique. Almost subconsciously, we share a kind of vider in our stand against the sprawl of the land. The struggle that has formed our national character—such as it is—has not been a contest against other people but against the cold and the wind and the rock. This is a clean battle but it yields few victories, only the postponement of defeats. We live in an empty land filled with wanderers.

For me, the most compelling fact about the great searanger hunt for the Canadian Identity is that it will remain a useless quest. We can never be pitted down. Canada is a nation of 34 million characters in search of an author; a country of many individuals who refuse to be categorized. At the same time, we hate to get out of step, we are careful people who would rather swallow our strongest feelings than reveal what we really think about one another.

The dominant strain in the icy civility that passes for Canadian etiquette has not been formed in the cities, where most of us now live. It was born in the wilderness that our parents and grandparents fought to tame. It was there in the bitter winters of deep-country solitude that our predecessors discovered the eternal loneliness of the soul.

They made it through—and so will we

Maclean's July 1, 1992

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## LETTERS

## Ferocity of Islam

The Israeli invasion of Lebanon strikes me as an especially significant development in the whole, complex script of Middle East tensions (David's Lightbulb, *Strife*, Coase, June 25). The war simply does not possess the mythology to compete with the Israelis, the Iraqis, or the other hand, have received a favorable grace and inevitability from their adherence to Khomai and Islam. The apocalyptic consciousness of Iran affords a lesson to the other Modern countries in the Middle East, under the ferocity of Islam or under the servitude of the Arab world, will never achieve its proper dignity except insofar as it embraces the mythological roots. Israeli tanks drive this point home.

— RICHARD WYTHEBROUETTE CAMPBELL

## Racers command respect

I am sure that I am spending too many auto-racing fans when I thank you for the excellent article written by Hal Quinn (Death and Safety on the Race Track, Sports, June 88). It is truly refreshing to hear a sane, reasoned voice commenting on the sport after reading so many thoughtless editorials that left many a person involved in auto racing, either directly or indirectly, in a state of frustrated rage. In paragraph 4, the author driver Mike Ponzio, if the police put a person in the driver's seat, it would be a lot less to the traditional crashes, it would seem that it is much more respect than being referred to as the arena for "murderous slaughter." — M. HANLEY

STUDENTS  
NOTING NOTING

David van der Stoep, Director of  
Studies at the Wits Institute for  
Social Justice, October 2006

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### Trudeau—a daydreamer?

Opponents have been cited by corporate and industrial leaders, banking presidents and economic administrators that appear to be in accordance with the views expressed in Peter C. Newman's *Editorial: Myopia in Public Tradition*—*Puck* Up and Loose, June, 1961. Would it not be possible to gather these men and make a forceful, concerted effort to bring the public and the government general to pressure for the removal of the existing government? Extreme thoughts, perhaps, but these are extraordinarily disastrous times. Pierre Trudeau is a perfect example of the "Peter Principle." A philosopher, professor, daydreamer, wanderer—not more. The vastness of our country, a government that has allowed a government to have been placed in New South

—DOROTHY SCHMITZ  
Kalamazoo, Mich.

### Leaders too opulent

One coverage of the Versailles summit (LA *Star* Under Sign, Cover, June 14) prompted me to mail the following letter to each of the news heads of attending the meeting: Most Honorable Sir, Just a senior citizen's suggestion for the next Western economic summit meeting: why not hold it by way of a live satellite TV broadcast (and a live audio) to all leaders, good and bad, safely at home and under good international TV coverage equal to or better than the tight security of an international meeting. And, maybe, millions of viewers, switching from the grim shadows of bureaucracy and unemployment, might be less cynical if they did not see their own leaders' personal and political opinions while discussing the economic fate of their citizens.

—HOWLED N. PATTON  
*Colony, B-C*

## PASSAGES

**ARRESTED:** John Hinckley Jr., 27, by reason of insanity, on 12 charges of shooting President Ronald Reagan and three others. White House Press Secretary James Brady, Secret Service agent Timothy McCarthy and Washington policeman Thomas Delahanty. Hinckley has been sent for psychiatric evaluation to St. Elizabeth's mental institution in Washington, D.C., where he will be held in custody until he can prove that he is no longer a threat to society.

**MINISTERS** U.S. Secretary of State Alex. Haig in a sudden move linked to a dispute over foreign policy. (See page 28.)

**ARRESTED** Soviet dissidents Vladimir Gorbunov and Valery Senderov, in Moscow, for suspected links with an underground trade union and for allegedly circulating unofficial literature. Both men were taken to Butyrka prison in Moscow where they are being held (page 10).

**REMOVED** Guy Rivest, 42, from the Parti Québécois to sit as an independent in the Quebec national assembly. The member for the Montserrat-area riding of Sainte-Marie broke with the Liberal government after it introduced a bill to cut public-sector salaries by nearly 18 per cent.

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**RELEASED** British newspaper reporters Simon Winchester of *The Sunday Times* and Ian Mather and Tony Price of *The Observer*, held by Argentina on charges of espionage since early April, following the outbreak of the Falkland Islands crisis. The three men were to be freed on June 28, technically on bail, but would be allowed to fly home with no further proceedings contemplated.

**DEVOUCED:** Sir Freddie Laker, 58, from his American-born third wife, the former Patricia Gates, 42, who cited his alleged adultery with an unnamed woman. Laker Airways, famed for its low-price transatlantic fares, collapsed last February with debts amounting to more than \$400 million.



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## Inside the Kremlin's corridors of power

For 16 years, until 1988, diplomat Robert Ford observed the comings and goings in the Kremlin as Canada's ambassador to Moscow. Fluent in Russian and three other languages, he became one of Moscow's diplomats *secrets*. In that role, he dealt face-to-face with Mikhail Gorbachev and Leonid Brezhnev and followed the activities of other party leaders. Retired and living in the south of France, Ford, 67, now a government foreign policy adviser, was recently in Ottawa, where he spoke with *Maclean's* Online Bureau Chief Robert Lewis.

**Maclean's:** Is there a struggle for power in Moscow?

**Ford:** A struggle for position, not a struggle for power. Certainly there are a lot of ambitious men there, and the race seems to be wide open. There's no doubt that for about five years Brezhnev's been ailing. He seems to have some sort of arthritic condition, but nobody knows for sure. He's had a speech deficit for a long time—one of the embarrassing problems is that he's never been able to pronounce the Russian phrase for peaceful coexistence. He has remarkable powers of recuperation, but it won't be long before he has to resign or depart this earth.

**Maclean's:** What kind of personal dealings did you have with Brezhnev?

**Ford:** He was always very polite and decent with me. He's rather an emotional person, particularly when he gets on the subject of war and tends to go off on some of his personal experiences. But he's tough, he's able and he exudes a feeling of power.

**Maclean's:** What do you feel is happening now?

**Ford:** If Brezhnev becomes incapacitated, that's one thing. It could be something like Lenin dying in his last years, in which he was still secretary general of the party but was unable really to function in that role, or even if Brezhnev dies, I would think that Konstantin Chernenko would be the likely immediate successor. He is practically the alter ego of Brezhnev. He thinks the way Brezhnev does about the world and Soviet society.

**Maclean's:** Even in light of the recent election of Yuri Andropov (former KGB chief) to the ruling apparatus?

**Ford:** Yes. I don't think Chernenko would last long. I think it has to be as

terious leadership, and then you move into the real succession. Andropov is the coming man. But he wouldn't necessarily move in right away.

**Maclean's:** Andropov headed the KGB. What will that mean if he does emerge?

**Ford:** He's disengaged himself from the KGB now and he was not a KGB career man. He was imposed on the KGB by the Politburo. In that sense, he's not a native KGB officer, but it might take a little while to launder his associations with the KGB. It's not the most popular organization.

**Maclean's:** Are the Soviet people concerned about spending on defense, as opposed to food?

**Ford:** Well, expenditure doesn't run on in the streets. But they go on, I'm sure, in the party hierarchy and in the Council of Ministers. It has to be a preoccupation, because there is already a very high percentage of the gross national product going to the military. It's not only a question of the amount of money, but the percentage of arms, ships and technology that goes into the research and development side of the military. Of course, the expenditure on soldiers and weapons is much less, relatively, than it is in the West, because the salaries are ridiculously low. They live very frugally, so that if they were to happen to Western countries, they would be a source of astounding army that the Russians have, it would probably bankrupt them.

**Maclean's:** Does the average citizen know about this kind of business defense and domestic spending?

**Ford:** They might not know the percentage—statistics are always highly distorted. The average person certainly knows that there is a lot of money spent on defense. They can see it. That they are rather proud of their armed forces, and I don't think there is any real problem with public opinion. They feel that they must never again be put in a position of weakness.

**Maclean's:** Are the perks enjoyed

by the elite as huge?

**Ford:** There has been increasing grumbling about the more obvious perks given to the new classes, but there is no opposition to it. It is very much an open society in that they exposed these things as obviously, so that the average Russian could see the extent to which the people at the top had privileges and positions he didn't get. There is a much greater spread between the average worker and the manager than there is in Canada. Take a factory: there would be a spread of at least 100 per cent between what the worker and the factory manager get. In addition, the manager has to be graduated, so the rate is the same for everybody. The manager of a factory or a big organization has a car and a driver, a special apartment, probably a cottage in the country, special rights to go to certain restaurants or rest homes, probably the possibility of travelling abroad, special shops where he can get imported things.

**Maclean's:** Is there unrest over the lack of improvement in the standard of living?

**Ford:** I don't think there is any doubt that they must be somewhat worried that they were unable to reverse the standard of living in the past few years. The events of Poland have encouraged them, and they are afraid of the spill-over. But the security in the Soviet Union is so tight that it would be extremely difficult for a movement from the grassroots to come up.

**Maclean's:** What moment did the 2,000-strong invasion of Canada's Arctic last June on the Siberia in 1979?

**Ford:** The Russians were very angry, so that if they had no idea what was going on, it was the first time they had to handle a big tourist group from one country all at once. They had heard stories about how wild Canadian Indians were. When they played the Canadian national anthem, all the Canadians stood up and sang it. Then they played the Soviet national anthem. The Soviets stood up all right, but they didn't sing it because there weren't any words—the words of their national anthem were all gone to Stalin and had been erased. This so embarrassed the Russians that they got to work and produced a new anthem. So we were responsible for the current Soviet national anthem.



Ford, Moscow—watching

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# Settling in for hard times



By Ian Anderson

In Ottawa last week Allan MacIsaac put the finishing touches on a new budget for Monday that he hoped would take the country through the winter of last November's failed attempt at financial planning. For his part, Prime Minister Pierre Trudeau was preparing to welcome an assembly of 18 provincial premiers to St. Bassen Drive in an effort to create the appearance that the nation's leadership is finally pulling together. And as the politicians gathered, Canadians were battling the hunches against an unrelenting grey swirl of ominous economic indicators. In the shadow of Parliament Hill, Ottawa Neighborhood Services reported that it was short of children's clothing to give to the city's neediest families. And thefts from the bicycle racks outside the federal finance department had jumped from two or three a month to one per day.

No Canadian seems to be exempt from the economic lull. At Rosemary Hagan's Calgary pawnshop business (news) has \$10,000 gold watch in Fredericton, most serious. Then Peter takes all his lobster and scallops from an open freezer and puts them under glass in tiny Albertson, P.E.I., pharmacist Robert Carruthers says people with chronic conditions fill their

prescriptions less often. "Tired of taking a pill every day for high blood pressure, they take for a week," in Winnipeg uninsured senior citizens are skeptical to property administrator Joyce Mignard as they rent suites along both their services in hopes that suites out live more cheaply than yours.

The resident middle class is surviving the current recession as it survived the others. Instead of scrambling to get ahead, middle-income Canadians are making sacrifices to live any further erosion of their standard of living. Spending has dropped sharply below 1981 levels, and some-way Canadians are saving in record amounts. In the first five months of 1982 Canadians bought seven per cent more life insurance than they did during the same period last year. And they borrowed less than half as much as they borrowed a year ago on their policies. Garage sales have replaced donations of household goods and clothing to Goodwill and the Salvation Army, although many more Canadians are depending on municipal social services. "Just take a walk through our waiting room and you'll get the message," says Joe Hewitt, regional director in Saskatoon for the provincial services department. "You'll be absolutely shocked at the young people applying for social assistance. We

Hope Cottage residents in Wallcut, when help was in fact, times are flat

have become a second level of unemployment insurance. These people are skilled and employable."

For most Canadians, however, economic hard times have changed lifestyles rather than lives. At Winnipeg's fashionable Quail Ridge Apartments the parking lot is flat to be empty on weekends as residents actively pursued outside interests. Now it is full. "In the old days tenants would fly in lobster when they had parties," says management agent Mignard. "There's none of that frolic now. They're less outgoing." At an Astor Downs and Credit Union in a middle-class area of Winnipeg, loans officer Jane Ross says "a mood of determination" among her clients. "Those with jobs are paying off their mortgages as fast as they can. They're budgeting closely and cutting back on all nonessentials." But across town in another Astor branch the story changes. With many unemployed rail-waysmen and garment workers among his clients, Steve Daly has changed his approach to business. "In the old days the job question a loan officer asked was, 'How much do you make?' Now it's usually, 'When is your mortgage due?'—in other words, when are you going down the drain?"

The vast majority of Canadians are heading but not breaking under the 30-per-cent mortgages and consumer loans. Bankruptcy is increased by 25 per cent in May from a year ago, but still totalled only 2,888. The Canadian Bankers' Association reports that only 647 bank mortgages, out of a total 120,646, were more than three months in arrears. But some slippage is occurring. In Halifax the average outstanding balance on one bank's Visa credit cards shot from \$641 to \$730 in the past year. The Royal Bank of Canada expects that by the end of 1982 it will be carrying \$500 million in non-current loans—loans on which customers cannot pay out the interest. That is double the 1981 amount.

"Things have got to the point where you don't really know whether you're helping the person when you give him a loan," worries Joe Lord, a bank manager in O'Leary, P.E.I. In Calgary lease clerk Dorothy McKinnon estimates that her Bank of Nova Scotia branch has had a 300-per-cent increase in delinquent loans this year, mostly from customers who have lost their over-engineering Alberta jobs and are heading back home. And the banks themselves are not immune to hard times. One of the banks has now sold downsize for pretty flat sales from two to three sales a month to more than 16.

In another echelon of the financial world, pawnbrokers across Canada report dealing with a new breed of client, one that brings in old TV sets instead of black and white models. But still no one is buying. Nonrepayment of pawned items has jumped to 60 per cent from 25 per cent last year, says Rosemary Hagan in Calgary. "I've got stereo systems sold to the road," she explains. To deal with the situation she took an auctioneer's course and now plans to open a liquidation business. One customer once pawned his Deere-man tractor puppy for \$30, then returned a week later and traded in his trailer to get the puppy back—"and he missed him," Hagan recalls.

Card dealers are also seeing a different kind of client. "My market is either the very young—people getting their first car—or people in their 40s and 50s,"



Mary's pawnshop in Calgary: a \$10,000 watch, lobster under glass

says Halifax's Ford dealer Norm Phillips. "The people in the middle are squeezed in the belt; they used to be my main customers." In Edmonton, business was so slow for Dave King of Westwood Ford that he offered to swap anything of value for a down payment. Since then the company has taken six horses and resold them, one even sold them to a parking house for \$1,300 each. The dealership now has a long list of other offers that it will accept. If it can unload them—50 more horses, Icelandic properties in British Columbia, a second mortgage and grain. It hasn't and best Calgary, and one salesman Barry Bradburn no longer runs any five-year families. "Now they're bringing in three cars and wanting to trade them and so on," he says.

People don't want big food, but store owners have discovered that customers will no longer pay any price. "What we feature in newspaper ads moves really fast," says Ken Nuckton, owner-manager of Kestrel's Restaurant, Ten-Boy food store. "You have to double your stock of your advertised specials, while a year ago it didn't seem to matter." P.E.I. supermarket manager Francis Crane concurs. "People will drive miles to save a penny on chicken," he says. And in West Vancouver, where grocery

John Smead did not follow his competitors in a recent cost-cutting competition, he says he had "their competitors within an hour about the higher prices."

Even fashion is changing. "When the economy is bad, people don't care how they look," explains Toronto hairdresser Tony Rossano. "We always note it first with the hair styles," agrees P.E.I. pharmacist Carruthers. Half-jokingly, "When hair dye is bad, the economy is flat." In the chrome-and-curve fashion temples lining Toronto's Bloor Street, customers now tend to be short to get attention. Now the Edna Schwartz store is telephoning customers in vain to remind them of summer.

Once considered the ultimate bastion of worker protection, unions have seen membership plummet and organizing drives falter. Canadian membership in the powerful United Brotherhood of America has dropped by 40,000 in four years. "You have to go back to the '60s to find anything like it today," says Martin Morris, president of the national director of the Steelworkers. In the weeks before and after the July 1 long weekend, more 35,000 more workers will be laid off or go on extended, unpaid overtime. The reason? The same as in a meeting. "Where there are layoffs, anyone who's laid off is hoping to use his seniority to jump out someone who's more junior," says Morris. "That means many more grievances that lead to more arbitrations and everyone is making a lower rate of pay."

Recessions have been taking the same beating, and they have found that their mobility is almost all dead. Job placement experts such as Calgary's Bever Beyer say they can make 40 calls for clients without setting one interview. The ad professionals, according to Beyer, are "almost living up" to leave the country. "I've become a talent expert," he says. Calgary's owner of Rose River 28, says he was advised "not to expect to get a job in the next two or three months—and that I shouldn't get depressed." Things are so slow in Calgary, says Beyer, that even when he was working last month, "I had absolutely

nothing to do for a whole week. And when I had work, it was a technician's work that I wouldn't normally do."

For the unemployed and underemployed, such talk is concerning. Neil Stevenson, 27, and his car in Calgary for enough less time to return home to New Brunswick. He hopes to get \$206 a month from the welfare office in Fredericton until his unemployment at change begins. "I've never been to a school in my life," says the Grade 10 dropout.

"There are so many people out of work that employers have multiple choices. If you apply for a job taking stock, no way—they have one-of-a-kind, someone applying for these jobs."

Further down the economic ladder, at the Old Brewery Mission in Montreal, Rev. Bill McCarthy used to discourage young people flapping for the night. But now, he has been talking with young people, and there's another word for it. McCarthy says: "I have never seen so many young, damaged souls. We are just waiting right now."

A cold new reality is pervading the thoughts of both activists at Toronto's Housing, executive director of the Canadian Council on Social Development. "The economic crunch and the recession are farthing the New Right that, in rare, is training its guns on social policies and social programs as if they were the cause of problems," he says. At the very moment that record numbers of people are begging for assistance, the system is least able to accommodate them. Huxley argues that community service programs must be looking for solutions—but their arguments must change. "We do it to argue. The babies will die if you (not handle). That argument won't work anymore."

No one expects the nation's minister to do anything with the new budget. The question is how long Canada must endure the hard times. It will take longer for some than for others. Some say it will be in a rush to return staff members when they have lost off. Brian Mulroney says Toronto car dealer Graham Magne has "learned that we can do without all this help." Yet while middle Canada is bending, people at the bottom seem that they are close to breaking. Dave McNeil, a 40-year-old John Riddle would like to continue social politics. "Follow me around this city for a week. You do what I do, not what I do. In three days you'd have had enough." The Just Society may not be under attack as much as it is just slipping further and further away.

With Michael Chapman in Quebec, David Brown in Fredericton, Kevin Kelly in Charlottetown, Randolph Gray in St. John's, David Johnson in Montreal, Mary Douglas in Toronto, John D'Amico in Ottawa, George Gaudin in Winnipeg, Susan Spencer in Calgary and Michele Gray in Vancouver.

## Varying prescriptions

Last week Maclean's contacted a number of economists for their prescriptions for long-term economic recovery in addition to unemployment at change. The response provided a range of policy options that mirrored the debates going on in the chambers and boardrooms of the country. There was, for example, a surprising new willingness by many economists to accept the consequences of a national wage and price controls as perhaps the only means of keeping the economy out of its own fire.



Walker singing out civil servants is just window dressing

**R**obert Kease, an economist with the brokerage house William Deberry Ltd., belongs to a school of experts that believes that inflation can only be kept down on the ground with high interest rates that keep the supply of money tight. "If you want to get 300 in and you want to get 175, you've got to go on a service diet," he argues. Kease and other monetarists express cautious support for the way that Canada and the United States have been imposing high interest rates they claim to use a long-term victory against inflation.

But even the sternest monetarist concedes that the economy, for the time being at least, is in serious trouble. Yet they refuse to blame monetarism. They point instead to government "anti-inflation" strategies that frighten off investors—especially foreign ones. At the top of their list is the Foreign Investment Review Agency and the National Energy Program (NEP), both federal initiatives designed to encourage Canadian ownership of the economy. Former Gartner minister Darcy McKeough, for example, told a western audience last week that the NEP was "inherently to Argentina's advantage but ill-considered expense to the Canadian." The monetarists also flag helping government debt as an inflation-promoting culprit, and they favor long-term fiscal savings wage ceilings. "Without fiscal restraint, monetarism isn't work," says Adam Young, West economist David Adams.

But another group of economists pres-

cribes the cause for the current crisis solely on high interest rates which inevitably produce monetarism's ugly symptoms, high unemployment and business failures. Some, such as Leo Panetta, Carleton University economist, argue that policymakers are deliberately keeping unemployment high in order to strip workers of their bargaining power. "If [high unemployment] is there to create fear in people," he says, "if they're afraid they're going to lose their jobs, they won't make demands." Panetta concludes: While monetarists plead for more time for their medicine to take effect, other economists argue that they have already had ample time. "They've had as pure an experiment as you've ever known to get on the real world," says Allan Mulvick, director of Ottawa's School of Public Administration.

In fact, after roughly 18 months of crippling high interest rates, the economy has been badly mangled, the inflation rate stands at 11.8 per cent, and while monetarists concede that the high-interest-rate approach may slow inflation eventually, they insist that the price is too high—and that the border is being unfairly borne by the \$2 million unemployed. At the same time,

Local University economist Pierre Fauriol argues that high interest rates are not even a particularly effective means of controlling inflation. "You have to create a very high rate of unemployment to get serious results," he says.

The disinflationists with high interest rates has led to a new willingness among most economists to consider wage and price controls. Panetta, for his part, believes that inflation can be slowed more effectively and less painfully through controls. For every one-per-cent drop in inflation caused by high interest rates, the result is \$15 billion worth of unemployment, he says. And the same one-per-cent reduction in inflation can be achieved through controls with considerably less unemployment—costing as little as \$100 million, Panetta contends.

A growing number of economists now believe that the solution may lie in dropping interest rates which would ease unemployment—and imposing controls to slow inflation. Paul Walker, former chairman of the B.C. Labor Relations Board, wants to see a tough income-control program that would limit increases in an average of four per cent—a far lower ceiling than the 30 per cent imposed by the Anti-Inflation Board in Canada from 1975 to 1980. Walker argues that the program could monitor profit margins, dividends and professional incomes as well as wages and would have the effect of distributing the impact of the struggle against inflation more fairly, instead of concentrating it on those in the hard-hit sectors. He believes targeting civil servants alone for wage control is "just window dressing that has no impact on inflation. Massive wage controls are at best a waste of time, at worst a fraud."

Also in evidence, but less fashionable, are the expansionists who urge the government to spend controls but commit large sums to job creation. "Wage and price controls generally end up becoming wage controls," argues McGill University economist Bob McKeown. He counters monetarist charges that more spending is inflationary by arguing that high interest rates create more inflation—by increasing unemployment and welfare payments and reducing tax revenues.

John Bellwood, an economist at the University of British Columbia, has developed a computer model that suggests that the current tight money course of the federal government will produce a significant turnaround in a year to three years. Shifting economic fortunes are clearly producing impatience with that timetable.

—THOMAS HORNBERG and LINDA MAGNAN in Toronto

## A world in turmoil

**T**he phrase "global recession" punctuates the lexicon of politicians and economists in the 1980s with the same dramatic regularity as the more optimistic "global village" did a decade ago. Faced by mounting public discontent over their nations' economic woes, leaders chief the nations—the E.C., saying that the recession alone will absorb them of responsibility in the eyes of their electorates. In large part these efforts have proven unsuccessful. And last week, as the annual economic picture darkened in the majority of developed countries, it was chiefly clear that the optimism of individual governments are limited by the international scope of the economic malaise.

For their part, Canadians relied on an announcement from Statistics Canada that the economy is in the worst slump in 32 years. At the same time, New Zealanders were reeling from a

crisis of imports, particularly oil. Muldoon leashed the country on a \$3-billion economic plan shortly after he was re-elected last November. That is intended to make the country self-sufficient in transport fuels by the year 2000.

Western European governments are also enduring economic constriptions. Europe has attempted to keep its slide into an economic mess by imposing the strictest austerity measures since the 1960s. The results so far, however, have ranged from mixed to disappointing. In at least four European Community states—France, Italy, Ireland and Greece—the annual inflation rate outstrips Canada's current rate of 11.8 per cent. Not only that, but the budget deficits as a proportion of national income in most EC countries make Ottawa's estimated \$3-billion to \$10-billion overshoot this year appear small. And the unemployment rates in Belgium, the



surprise move by their government. In a time eight months address to the nation, Prime Minister Brian Muldoon announced a regime of controls that froze prices, incomes and rents for 12 months—and interest rates indefinitely.

In justifying his midwinter decree, Muldoon declared that the nation's soaring inflation rate—currently 15.7 per cent—is the number 1 enemy. The moves were necessary, he added, because of the government's recent failure to negotiate a wage-control package with the trade unions. Critics pointed out, however, that the unpalatable inflation rate was largely caused by government policies. To combat the high

United Kingdom, Ireland and Italy exceeded Canada's.

Still, there are signs in Britain, at least, that tough monetarist policies are beginning to pay off. The inflation rate has been pushed into the single-digit range, and pay settlements are increasing at a modest year-over-year rate, down from 20 per cent in 1980. The cost, however, has been enormous: more than three million (12.8 per cent) are unemployed, and, in the view of many observers, the industrial landscape has been transformed into what once was described as Margaret Thatcher's desert.

Government spokesmen in London insist that Britain stands poised for recovery. But there is no such optimism in



Don't ask West Germany's prospects. There, a tormented period of economic stagnation continues and shows no signs of abating. On one coast, Chancellor Helmut Schmidt's Socialist-Free Democratic coalition government has done well. Assembly measures, coupled with restraint by the unions in wage demands, have kept inflation at five per cent. Still, the country is suffering from the highest jobless toll—6.3 per cent—since 1960, and that level is expected to increase by the end of the year. Adding to the gloomy outlook, the Bundesbank (central bank) reported last week that export orders—which rescued the economy from an even deeper slump last year—are "fading out of steam."

France, meanwhile, recently became a haven to the crowd of flood refugees. It clapped on a price-and-income freeze and drastically devalued the franc. The aim is to set in an inflation rate of 14 per cent. Similarly, Belgium imposed wage-and-price controls five months ago, but the results have been disastrous. Rather than deflating, Belgium's inflation and unemployment rates shot up. Bull worms in the very spectacle of Italy, which is battling the three-headed monster of high inflation, soaring unemployment and a runaway deficit. **Switzerland** no

Even Japan's export-driven economy is showing signs of a drastic slowdown as the world economy for its part, the shrunken Japanese is not among Prime Minister Zenko Suzuki's problems—at four per cent Japan has the lowest rate of economic growth among the Organization for Economic Co-operation and Development countries. But the government's 34-finite deficit in the wake of the Venezuela economic summit, Suzuki pledged to balance the budget by 1984. However, the prospects are dim for the deficit will deepen further this year as Tokyo borrows heavily on the money markets to make up for a shortfall in tax revenues and to finance programs to stimulate the economy.

Seeds is fighting for his political life as a result of the economic slowdown, as are many of his counterparts from Anchorage to Ottawa. And, increasingly, the beleaguered leaders are focusing their ire on per-

seriously high U.S. interest rates. Until Washington's rates come down, they lament, they cannot lower the cost of money because that would cause a flight of capital.

The Reagan administration claims that it has taken the necessary steps to bring interest rates down. Tight money policies have reduced the inflation rate to 3.5 percent, and the Federal Reserve has said that it expects inflation to drop as a result but not core rates, and the White House cannot understand why. Interestingly, Reagan's own economic plan calls for a "free money" policy of the Federal Reserve (which controls the money supply) are to blame. Last week the controversy came to a head as rumors spread that the Treasury planned to force the Fed to independence. They were denied by a flurry of White House statements, but it was conceded that the Treasury was undertaking a sweeping review of economic strategy, and that the Fed was not to be involved. In the meantime, the markets could take heart from signs that the recovery may finally be under way. For one thing, retail sales, orders for durable goods, and new housing are all up.

—MICHAEL J. HARRIS

works. For another, Congress finally passed the fiscal 1983 budget resolution, which, by dint of cuts in social and health programs and a tax hike of \$20 billion, will take the deficit down to about \$194 billion. Apparently impressed by the show of political realism, Wall Street rose from its sluggish depths and, at week's end, it seemed to be launched on a long-promised summer rally. While House Budget Committee David Stockman, for one, was convinced that a turnaround had begun: "We are past the trough of recession," he declared, adding that a summer-led recovery should begin in the second half of the year. He warned, however, that if there is no reduction in interest rates, the upturn could be short-lived. In that, his anxiety is more than matched around the world.

—JAMES FLICKING  
with John Mullinder in  
Auckland, Myron Foley  
in Tokyo, Peter Lewis in  
Brussels and Michael  
Pomeroy in Washington.

## NEWFOUNDLAND

## The day the cod was thrown away

A duck fell over the rainbow waters off Torbay, an outpost about 12 km north of St. John's, trap fishermen Jack Tapper and his son, John, were hunting. The birds were scarce. Though the water was so visible magenta—the reddish tint to keep near the bottom—recent spruce and catch in salmon nets and large catches of salmon had been reported. But his sons were filling up with more and more birds were seen in the bay for years. By dawn on the next morning, working out of their trap staff, the men had hauled in—about 5,000 kg worth \$1,650 at the frozen price. Then, several hours later, the crew grudgingly dumped the duck fish over the side of the wharf. Tapper had a hunch. He had seen a duck fish once, on a fishing boat along the northern Avalon shore was clogged not only by what was beginning to seem like a massive spill of duck fish, but even more surprisingly, with a

*The fishermen's union feels pitted against a powerful triple entente—the processors and two governments*

plus. The smaller fish, once spread on Newfoundland fields as fertilizer, is enjoying a sudden rise to gourmet status, prized by the Japanese for its roe and commanding a higher price than cod.

As these Tappes estimates that on the weekend before last, fisherman in Torbay and nearby Flatfish took away between 100,000 and 120,000 kg of cod. As a result, the fish markets are flooded with fish, and the price is 30¢ per kg. The government also agrees for the Newfoundland Fisheries, Food and Allied Workers Union, to help ease their difficulties. Because some is frustrated that they began giving their catch away—two tonnes of fresh cod to pumpers-by on Water Street in St. John's for dinner in restaurants. The government is also willing to issue a temporary permit for so-called "one-day-at-a-time" sales to foreign freezer travelers—a step that Ottawa is usually extremely reluctant to take—and to ask the Newfoundland government to lift its ban on exporting frozen codfish to cut buyers from the province and cart away up to 25,000 kg a day.

Timing was all-important. Many fishermen with well-filled traps were leaving them in the water, anxious to unload their catches, collect their money and redeploy their nets. But, as the recent spell of cool, fishy "captive weather" dragged on, federal and provincial fisheries officials were still assessing, with agonizing deliberation, what to do.

The fishermen's union feels that it is pitted against a powerful tripartite coalition of fish-processing companies and two levels of government officials. John Goss and St. John's, argues Short, "are protecting the fish-plant operators by claiming the fishermen to be a whipping post." He acknowledges that the new popularity of caplin has impaired the processors' ability to deal with the beautiful and because their seasons overlap, and he agrees that processors have the right to give priority to handling the higher-priced fish. But he insists that the federal and provincial governments should let fishermen sell their cod catches through extraordinary channels.

The presence of two Portuguese frozen trawlers in St. John's harbor has deepened the controversy. The fishermen are urging their union to negotiate an over-the-side contract with the foreign vessels in order to assist moving the fish to the processing plants. The union claims that foreign trawlers are not allowed to land fish in the harbor, but that if foreign trawlers are allowed into the harbor to help ease a temporary glut, it will be difficult to estimate their impact when the surplus is reduced. Meanwhile, the Newfoundland government's six regional fish-distribution depots have been unable to redirect the load to alternative plants that are available for processing. One day last week a plane at Bay Bulls, 35 km south of St. John's, had to dump 10 tonnes of fish. 8,000 kg of fish were thrown away by the Torbay Fisheries plant because their facilities were

**Cod giveaway**  
out by capsize

—LANDRUM JOYCE  
on St. John's

## BRITISH COLUMBIA

## No sex, please, we're Victorian

**F**or the past five years, X-rated videotapes have been readily available in British Columbia, but recently such explicit films as *Deep Throat* have become available in franchised specialty stores, and Ottawa's several cities are asking whether one of Canada's most tolerant guidelines on adult material has at last exceeded the bounds of excess.

The videotapes are intended for viewing in private, on TV sets. But that restriction does not go far enough for the Victoria City Council. It is about to pass a bylaw with a fine of \$1,000 for anyone convicted of selling or renting a film showing sexual intercourse or subjects such as sadism and incest.

The new belief would be considerably tougher than the guidelines on pornography issued by the previous government in 1977. The previous attorney general, Garde Gaudoin, introduced the rules in order to help judges apply commonly accepted standards to the vague definition of obscenity in the federal Criminal Code. The new guidelines banned — among other things — films showing sexual acts coupled with violence and sex scenes involving violent acts or assaults.

The apes have been **known** to be **continuously** available in stores that also stocked several **other** types of magazines, and many magazines. Because consumers **are** likely to be at least 35 years old, the system created little controversy—recently, **new** videotapes, which **feature** the same apes, were sold for \$14.95. The **offerings**, **are** being peddled **up** in the five stores of Red Hot Video, a franchise operation that is quickly expanding in the province. Victoria's **hundreds** would effectively put one Red Hot store **in** almost every neighborhood, and the **distribution** of hard-core materials and **Barney** is concerned about some of the time being **spent** with **its** **products**. **Because** **of** **its** **popularity**, **the** **company** **has** **been** **asked** **for** **more** **stores**, **and** **the** **company** **is** **being** **asked** **for** **the** **sales** **of** **con-**  
**cept** **cars** **Mark** **Dow**, **a** **lawyer**

who acts for the operation.

Most of the hard-core films, including the ones allowed under B.C. guidelines, are made in the United States and, theoretically, should never have been allowed to cross the border. Canada Customs has a list of forbidden items, which range from narcotics to used mattresses, and explicit films also fall



**Vancouver clerk settles before the sin of going public<sup>4</sup>**

under Ottawa's vague guidelines of "moral or indecent material" anything that unduly exploits sex, crime, horror, cruelty or violence. A smuggled film could be tracked down and its owner charged by the RCMP—but that is not happening in British Columbia.

For his part, Dwer believes any attempt to block the films at the border would have little or no effect. "The border is a sieve," he says. "Apart from that, though, this is an area where the law is lagging behind technology. My clients are not importing any of the films they are selling anyway." They do not have to. With thousands of readily available prints already in the country, copies can be up off that are almost as good as the original.

—MALCOLM GRAY is Vancouver.

## A \$90-million make-good, long denied

For seven years Billy Diamond has refused to surrender to cynicism. As Grand Chief of the Cree Council, he had convinced the first—and only—modern land-claim settlement with Quebec and Ottawa. But after negotiating their aboriginal title and rights to 500,000 square miles of land east of James Bay, the Cree and Inuit found that they were quickly forgotten by the bureaucrats. Now the federal government is finally preparing to make good. It has now learned that Ottawa's plan to announce within the next few weeks that it will provide about \$90 million for health, housing, education and development for the region's 33,000 natives. Negotiations are continuing for some \$30 million in federal funds for airports.

The Cree had been usually criticized by almost every other native group for ending their land claims for money—\$25 million over 10 years. For his part, Diamond argued that the land had no chance because the world's largest hydroelectric project was being built in its backyard. But a year ago Diamond was in despair. Major parts of the James Bay Agreement, "have gone the way of broken treaties." Promised health services, the Cree instead got a gastroenteritis epidemic and a hospital without enough funds to open. Promised economic development, they could not even get viable electricity supplies.

Denying the negotiating process government responsibility for such native services as health was speeded, but so do details as implementation dates were missed. When Ottawa officials began to insist that the agreement, provisions for "essential sanitation services" were interpreted as simply maintaining existing commitments. But they had not been the intent of the negotiators, particularly Cree bargainers such as Diamond whose families still carried water to their houses by bucket.

After the gastroenteritis epidemic had killed eight Cree children in 1980, the natives began to dig into their settlement fund to build sanitation services at the villages that were hardest hit. But the money came from the same account designed to help make them economically self-reliant. Said Inuit representative Mark Goggin: "It sums it up to be looked at as a bare minimum of

what you can get out of the government, and the bare minimum can't be implemented, then other groups are not going to be interested in an agreement like this."

The Cree and Inuit odyssey through the Ottawa labyrinth was remarkable for its tenacity. Cree jobholders found that the politicians believed that the agreement was entirely successful and were shocked to discover that the attorneys for implementing it were the part-time responsibility of a single bureaucrat, Ronny Bouchard. At the same time, intergovernmental co-operation was slight, despite the fact that responsibility for housing, health, sanitation, transportation and development ranged through half a dozen ministries.

The first concern voiced by the Cree over the agreement fell on deaf ears. Even after the gastroenteritis epidemic, which postponed Diamond's own children into a Montreal hospital, it took the Cree chief 30 months to arrange a 90-minute interview with Health Minister Monique Bégin, whose bureaucrats had argued that the agreement made health care a provincial responsibility. But the tide was turning for the natives. On March 30, 1981, in a rare see-saw display, the Government's Indian Affairs committee unanimously endorsed the native claim that Canada had failed to live up to its obligations. Diamond adviser Robert Kephart says that the involvement of the media in the case was instrumental in drawing the government's attention to the plight of the Cree. "It certainly had a more powerful effect than practical or humanitarian considerations," he added.

The other silent partner in the James Bay deal is now pleading poverty. Quebec's Social Affairs Minister Pierre Marc Johnson recognized the province's responsibility in funding education and health requirements, but, during a tour of Cree villages this spring, he said that the province simply did not have any money. Now, the Cree are suing Quebec for \$60 million. The cold war between Ottawa and Quebec City has caught the Cree and Inuit in the middle. Quebec will not make municipal payments to villages on lands it claims federally controlled—and that means all Cree villages. The same problem has limited joint construction of airports first proposed in 1974.

Diamond, elected chief of the Rupert House band at 31, has spent his adult life learning the ways of government. That education has taught him to swallow his principles and make the best deal he can. The first Cree estimate was that Ottawa and Quebec owed the natives \$125 million for unpaid obligations. Now Diamond is seeking for \$60 million, split roughly equally between the Cree and Inuit—and the uncertain assurance that Quebec will also act. "Looking at the economic times in Canada now, it's good to see you get what you asked for," says a local business philosopher last week. As the Cree learned, it is just a matter of hanging on. Ottawa's door is so long and so hard to necessary.

—IAN ANDERSON in Ottawa



Chief Billy Diamond: Instead of health services, an epidemic.



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**NEW  
YORK  
LIFE**

# After the onslaught, a new hope for peace

By Jane O'Hara

The echoes of thundering bombs and shells rumbled through the battered streets of West Beirut. Fires raged throughout the Moslem section of the capital, and at least one-third of Beirut's assets—1,600 tanks and 1,300 armored personnel carriers—were on the southern outskirts of the city, poised for a final assault on the 30-square-mile Palestinian stronghold. Blanking hope in familiar cross-streets began appearing on the windows of shops, hotels and houses as residents viewed themselves for a long-divided event: the transformation of their city into a bloody battleground. Then, shortly after dusk, the guns suddenly fell silent. An eerie calm spread over Beirut as word spread that U.S. special envoy Philip Habib had announced that a "cease-fire and lasting" ceasefire had been reached.

Friday's unexpected ceasefire, which was patched together by Washington, possibly at the insistence of Saudi Arabia, ended a week of escalation in U.S. foreign policy. The ceasefire was achieved only two hours before another deadly, unprovoked Israeli attack on the resignation of U.S. Secretary of State Alexander Haig (page 38)—and there were rumors that Saudi threats to Washington had forced both events.

The end of the fighting came during a week in which Red Cross officials in Lebanon raised the death toll from the Israeli invasion to 14,000, with 20,000 wounded. Lebanese political casualties also mounted as Prime Minister Shafiq al-Wazzan and two cabinet members signed Said al-Wazzan. "I cannot work under this massive military escalation," (the blockade). The virtual collapse of the nation's leadership was not the only political setback. The chances of reaching a long-term negotiated settlement were already shattered when Moslem leftist leader Walid Jumblatt resigned from the newly formed Council for National Salvation. By the end of the week, in Lebanon began the long process of digging up its dead from the rubble, one question more than any other permeated the country: would the peace last? The eleven-hour ceasefire was the fourth since Israel began its 30-km drive to Beirut, aimed at dismantling the PLO, ridding Lebanon of

Syria's strategic control and ensuring that the country would no longer serve as a base for attacks on the Jewish state. Throughout the week Israeli aircraft and gunboats increased the shelling on the fringes of West Beirut in what many feared was a "softening-up" operation before a full-scale assault.

Whirling low over the city, Israeli aircraft bombarded buildings in the once fashionable district, firing on shopping areas and Palestinian refugee camps. Amn Hospital, located on the fringes of the city, suffered 12 direct hits in a day. An apartment complex favored by visiting diplomats was shelled, although there were no casualties because most occupants had fled ahead of two U.S. Navy transports and a British container ship that formed more than 1,000 evacuees to Cyprus.

As bombing continued on the outskirts, residents poured into the refuge-strewn inner city, depleting already rationed water and electricity supplies. In West Beirut they were not by Palestinian guerrillas who had taken their own precautions by piling up mounds of red earth and low barrels along city streets to cut off major roads through the city.

But Beirut was only one of the battlefronts. On the mountains to the east, Israeli and Syrian jet fighters duelled in aerial dogfights for control of the Beirut-to-Damascus highway. On the ground Israeli tanks advanced along the road in three ranks, mortar and artillery fire rained down from Syrian positions.



that we would not destroy terrorists anywhere on earth. And Beirut is still the centre of world terrorism." For his part, PLO leader Yassir Arafat promised: "We are here and we will be here in the future. No one will accept to lay down his arms. He uses it."

While Arafat's men fought on with their backs to the wall in Beirut, Israeli Prime Minister Menachem Begin came under siege by his American allies in Washington. During a two-day visit Begin got a public message of support from President Ronald Reagan for Israel's military adventure. But in a private 90-minute session the president also warned him that the United States expected Israel to support Habib's peace efforts to produce a political solution to the problem. After the talks, which were characterized as "direct, even blunt," Begin moved on to Capitol Hill, where he received a second hostile reception. Said the Democrats' Paul Douglas, one of 36 senators who joined Begin at a foreign relations committee meeting: "It's fair to say that in my eight years in Washington I've never seen such an angry session with a foreign head of state."

The reasons for the disapproval were clear: for one thing, Israeli plans went beyond its original military goals and to

Begin with Reagan in Washington (left) announces Israel's ceasefire near Beirut: a ceasefire that may, finally, hold

the process almost inevitably raised the administration. For another, with its 60-ton thrust to Beirut, the number of casualties—although disputed widely by both sides—was tragically high.

At the same time, while many Americans acknowledged the political opportunities that were created by the invasion—chiefly for re-establishment of an independent Lebanese state—there were fears about its impact on U.S. relations with Egypt, Saudi Arabia and other conservative Arab regimes. A defiant Begin gave Reagan assurances that Israel would not occupy Beirut, but that was not sufficient to silence the chorus of criticism as Capital Hill.

As Begin returned to brief his cabinet on the American reaction and discuss future military moves, Israeli public opinion had also begun to sour. Faced with the longest campaign since the 1948 War of Independence, an increasing number of Israelis was questioning its justification. And when the Israeli death count reached 425 after three weeks of fighting, pressure on Begin's right-wing government not to send tanks into West Beirut mounted. Members of the Labor opposition led the peace campaign. They were joined by

the smaller left and centre parties outside the ruling coalition.

Said Labor leader Shimon Peres, who was in favor of a ceasefire: "We are totally opposed to an Israeli occupation of Beirut. It was never intended to use the army for political purposes or for those not purely concerned with security. In the past we have never ordered an Arab capital. Not because we lacked power, but because we had a certain historic wisdom."

Peres' criticism brought angry attacks from Begin's supporters. At his call for a ceasefire hundreds of soldiers (right party headquarters) withboards in protest. In a Jerusalem shopping centre angry right-wingers overturned a table where people were signing peace petitions.

Wide domestic pressure began to clash the Israeli camp, opposition was also growing. French President François Mitterrand called for an emergency session of the United Nations Security Council to discuss the Lebanese crisis. France pressed an immediate Israeli withdrawal and a Palestinian pullback from West Beirut, combined with a U.S.-Lebanese peacekeeping force.

The resolution was vetoed by the United States. But the ceasefire in Beirut held, although Israeli planes were once again scrambled to knock out Syrian SAM-5 missiles in the Bekaa Valley. The basis for peace in the Lebanese capital was reported to be similar to Mitterrand's proposal: a ceasefire of fighting and a token Israeli withdrawal in exchange for an end to the PLO military presence in Lebanon.

The sudden lifting of the Israeli siege eased the PLO's bleak position. Barring an unexpected detour from the situation, Arafat's supporters appear to have avoided a final humiliation at Israel's hands. They may also be able to continue their political fight for a Palestinian homeland. In the long term, the PLO might re-establish its military organizations as well, using bases in friendly countries such as Syria, Libya, Kuwait, South Yemen and even Cyprus. A Middle East expression perhaps best summarizes the PLO's strength: you may not be able to make peace with them, but you cannot make peace without them.

With William Leather and Michael Posner in Washington, Ron Silver in Jerusalem and Robert Wright in Beirut.





Secretary of State-Alexander Haig with Reagan (left), dependent Haig's policies were announced without his being consulted

#### UNITED STATES

## The general gives up the fight

**I**n 15 minutes, the White House announced on an otherwise busy Friday afternoon, the president would make a statement in the pressroom. On cue, at 3 p.m., his face is fully shown. Ronald Reagan declared that, "with great regret," he had accepted the resignation of Secretary of State Alexander Haig—and had nominated George Shultz, treasury and labor secretary under Richard Nixon, to succeed him. Then, 90 minutes later, the always controversial Haig read his resignation letter to state department employees. "In recent months," he said, "it has become clear to me that the foreign policy on which we embarked together was shifting from that careful course which we laid out."

With that terse explanation the 57-year-old four-star general and former NATO commander had just ended his tempestuous, 39-month tenure as the star of Reagan administration diplomacy. In his turbulent wake he left a stormy world to pursue a more detailed rationale for his exit, to measure how far Haig had been pushed before he jumped and to weigh the impact.

If Haig's account of his policy differences was purposely oblique, private threats about the rejection of his views abounded. Though widely regarded as a political hard-liner, Haig was in fact

more moderate than most of his cabinet colleagues. "He spoke like a hawk," said Claiborne Pell, ranking Democrat on the Senate foreign relations committee, "but increasingly he had the instincts of a dove." Indeed, Haig's Jewish background frequently made him a target of conservative abuse.

Recently, the National Security Council (NSC) approved—over Haig's objections—extension of a presidential order banning U.S. subsidiaries in Europe and foreign firms operating under American license from selling equipment to build the mammoth, multi-billion-dollar natural gas pipeline from the Soviet Union to Western Europe. Haig had argued forcefully that, while the Europeans already committed to the project, the presidential ban would only delay—not prevent—the completion, straining U.S. ties with Europe in the bargain. Most other cabinet officials disagreed. Europe should not be allowed to become energy-dependent on the Soviets, they said, nor help finance Moscow's military ambitions with Western currency. Significantly, the NSC decision was taken while the secretary of state was out of town.

Within the Reagan inner sanctum, Haig was also known as the chief defender of Israel. In recent weeks he had fought—unsuccessfully, it appeared—

against any steps that would punish Jerusalem for its actions in Lebanon or otherwise signal a weakening of U.S. support for Israeli goals.

Haig was reportedly enraged by—and told Reagan that he resented—back-channel communications between William Clark's national security apparatus and the Saudis. Indeed, as Haig sympathizers described it, the signals flashed by the NSC to the Saudis constituted the guidance Haig was himself giving to presidential envoy Philip Habib in Lebanon. As a result, in Beirut, Jerusalem and Riyadh there was confusion about what Washington wanted from a ceasefire agreement and how far it would press Israel to accept one.

Specifically, Haig contended that encouraging the Saudis to think that the United States would put pressure on Israel to engage a partial withdrawal of forces before the PLO had down its arms and evacuated Beirut would only stiffen Egyptian and Palestinian resistance.

For its part, the White House noted that foreign policy was, after all, the president's prerogative; that he was free to direct his advisers to consult on his behalf and that, in any case, Haig had spent his capital—having assured Reagan one too often that Israeli forces would advance no further

Diplomats and Palestinian sources in Beirut gave a different version of events. Early in the week the Lebanese Council for National Salvation reached a consensus behind a plan suggested by PLO leader Yasser Arafat for a halt to the fighting. Under the arrangement, sources in Beirut told Moshele, the PLO would end its military presence in Lebanon in exchange for a ceasefire and token Israeli withdrawal.

A midweek meeting was scheduled to hear the Israeli reaction, and Saudi Foreign Minister Saud al-Faisal personally telephoned Arafat to say the deal was acceptable. Sources said that he had received a call from the National Security Council in Washington saying that the Israelis would accept. At that point, apparently, the scheme began to unravel. When the meeting started, Habib, who reports to State, merely talked further questions to be relayed to the PLO. And while questions and answers shifted to and fro, the Israeli hard-liners grew in force.

Rhodes Arabist King Fahd, on the throne for only a week, telephoned Arafat to assure him that a deal could be made. But eventually the Saudis' patience snapped, and Washington was given an ultimatum: either it organized a speedy end to the fighting, Riyadh would pull all its funds and investments out of the United States, stop all sales and open diplomatic relations with Moscow.

The confusion apparently stemmed from mixed signals from the two separate branches of the administration—one from the NSC to the Saudis, the other from Haig to Riyadh. Since the two departments have separate channels of communication—and, reportedly, rarely exchange cables—such was a source of what the other was doing.

It was impossible to confirm the Beirut version of events from either State or the NSC on the weekend. But Israeli officials in Washington said that they were aware of such a chain of events. They added that they believed that the Saudis' threat had been successful in helping to bring about a ceasefire—and been monumental in ending Haig's resignation.

But the feud with Clark—Haig's former deputy at State—was only the latest in a series of frictions. A secretary the secretary has had since the earliest years of the Reagan era. Even before the "suicidal" photographs were printed, Haig drafted a memo authorizing his secretary in foreign policy and authorized it for Reagan's signature.

The White House demurred, and kept Haig's role in Haig's resignation. When the president was still early last year, Haig accompanied his misgivings by telling the nation—while weeping visibly—that he was "in contact at the White House." Reagan's inner circle quickly named

Shultz to head its state-management team. Later, the president replaced National Security Adviser Richard Allen, another Haig nemesis, with Clark—a longtime member of the Reagan California circle. At first Haig was pleased by the appointment, thinking his own relationship with Clark would guarantee access to the Oval Office. But it did not work out that way. Clark had the access—and Haig was reduced to an unrequited waiter, competing with Postages, Civ and other bureaucrats for time, attention and influence. In fact, before tendering his resignation, Haig reportedly consumed space from several old friends, including Richard Nixon, whom he served as chief of staff at the height of the Watergate crisis. Access is everything, Nixon is

and shares none of Haig's opinions. But, at 81, he is patently not a team player, more old-timer than Bushy. As president of Technal Inc., a multinational construction firm, Shultz has particularly close business ties with Saudi Arabia and lobbied heavily last year for the sale of a \$200 million aircraft. He will almost certainly influence a more overtly pro-Saudi tilt in foreign policy. Indeed, Haig's resignation suggests the shift has already begun. Whether or not the Saudis were serious in their threats, Washington was clearly not prepared to call the bluff. And that will reinforce King Fahd's leverage in any subsequent crisis.

In Europe Shultz will be more than acceptable. Like Haig, he has questioned the wisdom of trade sanctions



Shultz with wife, Baker and Clark en route to Washington. White House guards in force

had to have told him. If Haig did not have it and could not win it, he should quit.

Haig had reached the end. He had quarreled over East-West relations with Secretary of Defense Caspar Weinberger, over U.S. interests in Latin America with the Ambassador Juanes Kirkpatrick, over Japanese auto imports with Trade representative William Brock and over grain sales to Mos-

cow with Agriculture Secretary John Block. Haig was worn, battle-hardened, but the struggles were wearing, physically costly, and the tide was increasingly against him.

From Washington's point of view, Shultz has many of Haig's strengths

against the Kremlin. He has also recognized that Europe's needs are not always a replica of Washington's. As an expert in international commerce is a deeply pro-business crowd, Shultz may, however, be tougher on Canada—particularly with respect to its energy and investment policies.

Whatever the consequences, the fall of Alexander Haig clearly marks a decisive turning point in the history of the Reagan presidency. The conduct of foreign policy in the future may be better or worse, louder or softer. But it will never be the same.

—MICHAEL FORSTER, 1980 William Lorchner in Washington and Abner Wright in Beirut

## A reluctant coalition

After 18 months of intermittent and often turbulent negotiations, three of Southeast Asia's most reluctant partners last week finally agreed to form a coalition government-in-exile for war-ravaged Kampuchea. The shaky alliance, the latest attempt to oppose the Vietnamese occupation of Kampuchea, brings together three men who in the 1950s ruthlessly battled one another for control of the once peaceful nation of six million: former head of state Prince Norodom Sihanouk, his longtime premier Son Sann, and Khieu Samphan, their leader of the Communist Khmer Rouge.

They have been encouraged to take the first tentative step toward achieving their only common goal—evicting the Vietnamese—by the United States and the Association of Southeast Asian Nations (ASEAN), who also want to curb Vietnamese influence in the region. But the agreement, modeled closely on precedents put forward by ASEAN's five member states\*, appears to be built more on hope than on reality. There will, however, be a genuine sharing of responsibility over the government-in-exile. Prince Sihanouk will resume the function he lost—ironically, by not opposing strongly enough the Vietnamese invasion into Kampuchea during the Vietnam war—head of state. Khieu Samphan will assume the vice-presidency and take charge of foreign affairs. Son Sann will be prime minister. \*Indonesia, Malaysia, Philippines, Singapore and Thailand.



See Sann: curbing Vietnamese influence

Elsewhere, the factions will effectively continue to pursue their own objectives. Each ministry will be run by three representatives from each faction. At the same time, each coalition partner will keep its separate identity and direct all outside aid to its own purposes. But the Khmer Rouge, which governed Kampuchea brutally until the Vietnamese invasion in 1975, has insisted on a clause guaranteeing that if the coalition breaks down it will once again be recognized as the "sole and legitimate" government.

The first task of the ill-matched tri-

aduminate will be to try to recover Kampuchea from the Vietnamese. But it is clear that little thought has been given to a common effort to dislodge the de facto government of Heng Samrin in Phnom Penh, which is backed by an estimated 170,000 Vietnamese soldiers. Asked about their common military effort, the coalition leaders would only talk last week about how large an army such hopes to achieve. Son Sann wants 30,000 men and claims that he currently has 9,000 (ASEAN experts put the figure as low as 6,000). Sihanouk has no troops at all, but he would like to field an army of 25,000. Neither man can hope for direct ASEAN support, though there is a remote possibility that the ASEAN nations and the United States might provide hard cash for them to buy their own arms. There are also hopes that the Chinese, vigorous opponents of the Vietnamese presence in Kampuchea, may offer a trickle of supplies. But the main Chinese effort seems likely to continue to be directed toward the Khmer Rouge forces, which now total between 30,000 and 35,000 men.

However, even if all the coalition partners can contain the strains of their dreams, the likelihood of their being able to inflict defeat on the Vietnamese is slim. Only two months ago Vietnamese troops easily routed Son Sann from his village headquarters inside Kampuchea, and Khieu officials boast that if ASEAN continues to guarantee Son Sann they will attack him again. Indeed, Phnom Penh residents report that fresh Vietnamese troops are flooding north through the capital, fueling speculation that Hanoi's response to the new coalition will be swift and sharp.

—PAUL QUINN-JUDER in Bangkok.

## ARGENTINA

## The army's tenuous hold

The Argentine army moved quickly last week to head off civil unrest and safeguard its pre-eminent position in the country's political life in the wake of the Falklands debate. The army earlier triggered the resignation of the naval and air force representatives on the governing junta by forcing the appointment of its own candidate to the presidency. But then it made a major concession to its opponents. The new president-designate said that he will permit an early resumption of normal political activity.

The man who will preside over the transition to civil rule—elections are set expected next March, 1984—is retired general Reynaldo Bignone, 54. Initially, Bignone seemed an unusual choice for a military junta notorious for

its political heavy-handedness. A quiet, gentle man, he is a career soldier who was named to the junta that overthrew the incompetent civilian administration of Isabel Peron in 1976. He was active in social welfare programs, and he also served as an unofficial liaison between the junta and outlawed political parties. It was that experience that apparently convinced the army to appoint its own candidate and appease its opponents at the same time.

Bignone's announcement that he would lift a six-year ban on political activity after his July 1 inauguration followed a four-hour meeting with representatives of the country's 13 political parties. But, although he and the army acted quickly, there were doubts that the gesture would produce wide public

support for the regime. Radical army leader Carlos Costin, for one, immediately questioned the army's ability to govern. "The military junta is disintegrating," Costin declared. "We have to stop things up because we don't know if Bignone will make it to 1984."

The threat from the excluded navy and air force leaders was even more ominous. Air force officers were angered at being shut out of their presidency and they vehemently oppose Bignone's free enterprise future of economics.

The split in the armed forces made Argentines to fear a three-way power struggle that diplomatic observers discounted the prospect of civil war. Although the generals still talk of continuing the struggle for the Falklands, the public is in no mood for further fighting. As a result, the junta's future battles will likely be confined to the Casa Rosada, the presidential palace.

—JAMES MITCHELL in Toronto, with Scott Logan in Buenos Aires

Presenting Russian Prince vodka.  
The frosty spirit of old Russia, recaptured.



One sip  
should convince  
you.

# A PRINCE IS BORN

By Carol Kennedy

**T**he first flash cars on the early morning radio news, displacing the latest crisis reports from Argentina and Lebanon: "The Princess of Wales had been admitted to St. Mary's Hospital, Paddington, between 5 and 6 a.m. on June 21 in the first stages of labor. The new arrival—waiting in Europe's oldest maternity ward as the way ahead of time and, as if drawn by an irresistible force, the crowds began to gather. They came to Buckingham Palace, pressing hopefully against the tall railings, prepared to wait for hours to see the traditional notice of birth posted there. They also came, hundreds of them, to a sunny back street in West London, the suburban setting inappropriate for the fruition of a royal wedding whose glamour and romance had rivaled half the world just 287 days before.

North Wharf Road, bordered on one side by industrial warehouses and a grimy canal, writhes earliest at the train announcements from Paddington railway terminus, does not fit the stereotype of a birthplace for a future sovereign. But it houses the private wing—with succored maternity facilities—of venerable St. Mary's, the hospital where, in 1828, young Alexander Fleming discovered penicillin mould growing as a weaver on his window sill. And there Princess Anne gave birth to her son, Peter, there in 1877, the maternity ward in St. Mary's Ladies Wing (named for a 1800s industrialist who financed it) has born the echoes of aristocratic expectant mothers.

It was, according to the calendar, the longest day of the year, and for Diana and Charles that was certainly the case. The princess, who had expected the baby to arrive on her 21st birthday, July 1, was to endure 16 hours of labor in her six-walled, 1-acre-square room before the arrival of a fair-haired son. His weight, seven pounds, 1½ oz.

Prince Charles watched the birth, the first royal father in recent history to do so (Prince Philip was playing squash with an opponent to make his coronation when Charles was born.) Later, Charles confessed that he found the experience "rather a grown-up thing—rather a shock to my system."

The baby cried lustily as he came into the world at 9:02 p.m., coincidentally about the same time as his father on a bleak November night nearly 36 years



ago. Buckingham built throughout the day among the waiting crowds, many waving Union Jack bunting over from the royal wedding. They cheered every arriving bouquet, sang patriotic songs and feasted on strawberries and cream sold by street vendors. A London day of rain failed to dampen their spirits, and their happy mood boiled over as a string of curdressed, boldly intoned "It's a Boy," was waivered through the hospital hallways.

A few kilometers away, a court official and a police sergeant solemnly dictated a more stately notice to the Buckingham Palace railings. Neatly typed, with the time written in by hand, it read: "The Princess of Wales was safely delivered of a son at 9:02 p.m. today. Her Royal Highness and her child are both doing well." It was signed by Dr. John Bates, head of the Queen's medical household; anaesthetist Dr. Clive Roberts; pediatrician Dr. David Harvey; and the urban George Parker, rangemaster-protector to the Queen, who saw the baby into the world.

The infant prince, who will be styled "Prince (Christian name) of Wales," will in all likelihood become Britain's third monarch since the Norman Conquest and third in a line going back to Robert, first King of Wessex, and all England, who ruled from AD 877 to 899. He is the first child born to a Prince and Princess of Wales since 1908. That baby, son of the late George V, was named Prince John but did not survive his term.

Ritons, who will bet on anything, immediately began staking money on the baby's name. He will, like all royal children, have a string of them. Bookmaker William Hill gave odds on George, followed by James at 7 to 5, Charles at 8 to 1, Edward at 5 to 1, Philip at 30 to 1 and Louis in honor of the late Lord Mountbatten, Prince Charles's much-loved great-uncle, at 13 to 1. These odds shortened to 8 to 1 during the week.

Here at the sunnier solution, with both moon and sun in the zodiac sign of Cancer, the new prince predictably had plenty going for him in the astrological stakes. The *Daily Mirror's* resident astrologer predicted that he would be "wiser of a Mountbatten than a Windsor." The navy would appeal strongly to him, and events around his sixth birthday would "profoundly affect his future."

Meanwhile, in the narrow street outside the hospital's door 180m inside, they began piling for Prince Charles. Someone started a football-style chant that soon drowned out Lord of the Flies and Gloria and Rock Britannia. It went: "Now see, Charles, give us another one." When Prince Charles emerged, tired but beaming, just after 11 p.m., his response to a question about future family plans was in keeping with the foot-



Happy Londoners take to the streets (above) Diane touring Wales: "It's a boy"



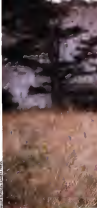


## COVER

half-fun mood "Bloody hell, give us a chance," he pleaded laughingly. It was a novel moment like no other in the long history of the British throne. For a while barriers between monarchy and subjects were swept aside as the prince revelled in the conversations like any new father, shyly fingering his tie and confessing his relief that it was all over. To someone who asked if the baby looked like him, he joked "It has the good fortune not to." What about names, everyone wanted to know immediately. Charles would not be drawn. Then, turning serious, he appeared to acquiesce after he had gone "Some sleep is badly needed." When he awoke off the crowd obediently trodded away.

Earlier, Charles had phoned the Queen at Buckingham Palace. She was "absolutely delighted" and ordered champagne for the palace staff. Other members of the Royal Family, widely dispersed, heard in different ways. Princess Margaret was given a standing ovation at the musical *Song and Dance*, at London's Palace Theatre, when ballet star Wayne Sleep broke the news after the show.

Prince Andrew heard of his displacement by a new nephew to third in line of succession via a radio link to 1985 Inverchiffie in the Falklands. The Queen Mother, on a tour of industrial Tyneside, was



asked how she felt about her latest great-grandchild. It's always nice to have a new one," she beamed.

But Princess Anne, in New Mexico, reacted in characteristically craggy fashion. Asked "Any word about Diana?" she retorted "I don't know, you tell me." A U.S. reporter told her "Oh, good," and Anne, making briefly as. When the exchange was shown on British TV, scores of traitor viewers cheered to complain about her rudeness, prompting the palace to explain that she was simply being "naïve"—an earlier rumor of the birth having proved premature. But later reports had Angela Ripston, U.S. newsman. "That's my business," and "Keep your questions to yourself," as they sought her views on her nephew's arrival.

Speaker George Thomas broke the news to the House of Commons, adding acid cheer. "We rejoice with the royal couple." With enterprising timing, British Airways screened a special commercial minutes after the broadcast announcement, showing an airliner tracing the word "congratulations" in the sky. In Scotland, by an accident of airspace scheduling, it went out just before the birth was announced.

Princess Diana's father, Earl Spencer, corralled by reporters as he left his London apartment in fashionable Grosvenor Square, said the baby was "very very lucky to have a mother like Diana."



Diana of the *Windsor Castle* (left), honeymooning at *Windsor Castle* (right).

Then he dived for his car with the sky admonishing that he was off "to have a beer." Britons throughout the land celebrated in like fashion. Tisbury, the village nearest the royal couple's Cotswold house, Highgrove House, broke out flags and bolls and pepped champagne corks. At the 16th-century church in Sandringham, the Queen's Norfolk retreat, bell ringers stood by all day to herald the news. At sea and in port—and in the Falklands—the Royal Navy celebrated with its traditional lot of rum. The toast was "to the Prince Unborn of Wales, God bless him."

London is a busier and more press-splattered city than in the year of Charles's birth. But some pagantry was managed despite a strike that paralyzed some of the city's vital subway system and tied up the capital's roads. Ignoring the traffic jams, the King's Troop, Royal Horse Artillery, clopped its solemn way from its North London barracks to Hyde Park to fire off the 41-gun salute traditional to royal births.

By the morning after the birth, as bells pealed from Westminster Abbey, 1,000 gifts and 700 messages had already poured into Buckingham Palace. The only "there is the royal bespect," as The Guardian put it, was a harked remark by veteran astronomer, Sir



Meeting with the public (above right), on the polo field. In *marvelous form*.

Willie Ikin, who said sadly at the Commons that the boy's future would be "one long story of misadventure, defeat, and *Land of Hope and Glory* rubbish for many years." There was a precedent, in 1804, amid rhapsodies on the birth of the future Edward VII, the socialist pianist. Roy Hattersley growled that he owed no allegiance to any hereditary ruler.

The Queen had wanted Diana to have her child—as she had done—in Buckingham Palace. But she was diplomatically overruled by Prince. There was another break with royal tradition, where a surprised nation learned that Diana had left the hospital just 22 hours after the birth. "It's the fashionable thing to do," explained Press Secretary Michael Sheel. But perhaps the princess also wished to avoid the embarrassment of crowning salon pickup lines the following day as health-service workers, including nurses, staged a one-day strike against government pay policy.

On the day of departure, Prince Charles was once again in good form. The baby was "looking more human now," he told the crowds after an early visit. The Queen joined him at the bedside for 20 minutes and came out beaming broadly. But by week's end Prince Philip, travelling around the country on



# "Gulf Canada is bringing new life to this old oil field."

Dzintra Ziemelis

Manager - Enhanced Recovery, Gulf Canada Resources Inc.

When we first drilled in Fenn-Big Valley, tremendous underground pressures "squirted" the petroleum to the surface. This is how it happens in most oil wells. When the pressure dies down, we use pumps to draw up further oil that drains from the porous rock to the well. But still, in some rock formations, as much as 70% of the oil remains just sitting there, thousands of feet down. Millions of barrels.

Gulf Canada's team of scientists and engineers, using the latest technology, have designed a program which they believe can "wash out" additional oil - as much as a third again as the field produced in the first place. Gulf will risk millions of dollars to put this plan into action on the say-so of their experts. The pay-off can mean Canada is one step closer to security of oil supply.

When the movie hero strikes a "gusher", black oil blows sky-high. It is hard to resist the idea that there is a cavity under the earth holding a pool of oil that spews upward when the drill punctures the ceiling of the cave.

The fact is, the crude oil exists within rock formations that often look about as solid as a concrete sidewalk. The oil saturates the porous rock the way coffee saturates a dunked donut. Tremendous pressures, caused largely by subterranean water and gases, push some of that crude oil through the permeable rock and up the well, often with dramatic force.

After the pressure fades - anywhere from a month to



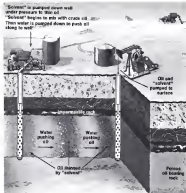
Dzintra Ziemelis graduated from the University of Alberta in 1970 with a B.Sc. degree in Engineering. She has been involved with the Fenn-Big Valley enhanced recovery project from the start, and currently is Manager - Enhanced Recovery. Her favorite pastimes are skiing, camping and hiking. She is just one of the more than 10,000 Canadians who make up Gulf Canada

years later - crude oil continues to drain from the rock into the well and is drawn to the surface by pumps. This may continue for many years. Even so, as much as 70% of the crude stays in the rock, millions of barrels of it.

## \$20 million risk

Gulf Canada's scientists, technicians and engineers are working on a way to coax more of the remaining oil out of the ground.

In a simplified explanation, it sounds easy enough: you just pump solvent into the oil-bearing rock, where it will gradually combine with the crude and make it lighter, more "runny", so it will flow



The Fenn-Big Valley oil was discovered in 1950. Since then 15 million barrels of oil have been produced. 18 million more barrels remain in the oil-bearing rock. Gulf technical experts have designed a program where "solvent" is pumped into the reservoir to mix with and then the crude oil. Next, water is pumped in to push the diluted oil along under pressure toward the well. In fact, solvent and water, Gulf will spend over \$20 million before it will know whether the flood will perform as expected.

through the pores. The oil is "washed" out, much as a dry-cleaner removes a grease spot from a dress or suit with a solvent. Then, you pump in water under pressure, so it pushes the crude along through the porous rock toward the well.

Simple as it sounds, the technique is complex and risky. Each oil field has its own unique rock properties which influence the behavior of the "solvent". The "solvent" (actually a mixture of natural gas, propane and butane) alternating with water will be pumped into the ground for four years at a cost of over \$20 million before it is known whether the method is working.

Similar methods of getting extra oil from fields have been used before. We call them "enhanced recovery". Gulf Canada has designed this scheme specifically for the oil-bearing rock of Fenn-Big Valley. It has been developed in Canada for uniquely Canadian needs.

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reservoir to discover how to make the oil dissolve. The results of the experiments are promising.



In the Gulf Canada Research Centre at Sheridan Park, Vera Belopolsky, Chemical Engineer, tests oil samples from the Fenn-Big Valley oil field in Alberta. Objective: to discover how "solvents" mix with crude oil at the pressure, volume and temperature encountered underground.

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## Into a royal bloodline

Genealogists have traced his lineage further back than even the most many-eyed romantic would wish—to George I, to Rodrigo the Old, even to Mohammed. Britain's newest prince is heir to 15 more or less valuable estates and palaces, to a small slice of the 150-million-acre empire and to the uncounted private billions that the Royal Family somehow never manages to declare to the tax man. (The feeling somehow exists that royalty is really performing a service to the nation by preserving all the goodies in itself, the National Heritage.)

As the latest arrival in the direct line of succession, the prince is also, as *The Times* of London was quick to point out, a baby who "personifies in its own person, the tribal history of a race from its remote beginnings with the first kings of England, 15 centuries ago." In short, the birth is "a constitutional as well as a joyful event."

A constitutional event, it obviously is—a small landmark in the development of a function that has evolved, often painfully, from tribal chief to parliamentary monarch—from Elizabeth the Upright to Elizabeth II, from Agincourt to the Falklands. There have been worthy and unworthy kings and queens, sober and riotous ones. George IV, whose marital problems were to ensue the Duke of Wellington's secret anxiety, was granted in his early reign to Hyde Park by crowds who called out, "God bless him, he is a hairy, jolly young dog, truly."

Lastly, indeed, And the tradition either started or ended with George IV: One spring of Princess Diana's family tree, Henry Fitzroy was the first of Charles II's affection for Barbara Villiers, Duchess of Cleveland. And Edward VII's extraordinarily active life has been lovingly recorded in a series of documentary dramas.

From the days of Charles I, at least, royalty has been in a state of passionate revolt against the narrow confines of custom imposed by church and state. The excuse is generally made for Edward VII that he was "repulsive for a father to his mother, Queen Victoria, to give him a respectable job. Victoria himself, though fairly venerated for her lengthy cohabitation of Britain during its greatest years, came close to losing her subject respect for grasping too long a hold on power. Queen Albert, Londoner of her later affection for John Brown, her minister, did not escape unscathed.

In this century, public respect for the monarchy has been shaken—still, not shattered. But it has been rattled by a series of seismic events. The abdication of Edward VII divided the Commu-

nion. So did Princess Margaret's casual renunciation of Group Captain Peter Townsend (although a series of divorces in and around the palace at the time raised little notice). Subsequently, Margaret married and then divorced Anthony Armstrong-Jones, bringing divorce closer to the throne than at any time since Henry VII. Now, if rumor is correct, Princess Anne may be on the way to following that precedent.

But, while the gossip mill turned, the monarchy has been upheld by the expectations—some say paternalistic—hard work of those who, while they may have wished to revolt, have firmly suppressed the inclination. George IV was much respected for his courage and leadership in the Second World War, the Queen Mother, like Queen Mary before her, was loved for her devotion.

The royal line thus lives in the public eye, but they love them apart—and in considerable opinion. When Prince

Philip's *Riviera* vacation, in London and New York, on the jet-set season's decor.

There have been, however, some notable comebacks. The Greeks called King Constantine a post-Colorado reformer, but Queen Anne was more like a king. Juan Carlos, who intervened successfully last year to protect the country's fragile democracy from a military coup in Belgium King Baudouin is credited with being the force that keeps French- and Flemish-speakers from fragmenting the nation. In the Netherlands, Norway and Sweden, too, the monarchs march on, though they are as closely intertwined with the consumers as to be almost indistinguishable except on rare state occasions.

In the Commonwealth it is different. The royal line thus lives in the public eye, but they love them apart—and in considerable opinion. When Prince



Celebrating the Queen's birthday: from tribal chief to parliamentary monarch

Charles was born, the fountains in Trafalgar Square ran high for three days. The symbolic link was with the old saying "blue for a boy," but it might as well have been for blue blood. Now the tribe is dancing in the streets again, devastating details of a world that most will never know except at second hand: a world of passions, anxieties and other make-beliefs. Still, the people appear only like their royal way they are they are—at least the way they are reported to be hero or victim, dependable or demagogic. Only history—and the media—will tell which of the two the new arrival will be. One certainty is that he will have more money than fit comfortably on the standard British certificate.

—DAVID NORTH

## COVER

official duties (and greeted by car workers with shouts of "Gloria, we love you") was still wisecracking that it would be nice to see his grandson married.

There were the moment that the crowd, predominantly female, had seen the Prince of Wales and Princess Diana come out together with their white-shawl-wrapped hands. Diana glimmering with maternal satisfaction and looking none the worse for her ordeal.

The baby prince will almost certainly be christened in the Royal Family's traditional robe of red and white, first used by Queen Victoria. It is usually certain Diana will breast-feed him for at least the first few weeks. For the first week she will have the help of a trained child's nurse, Anna Walton, who looked after Princess Anne's two children. Then Diana's choice as nanny takes over, a broadly informal 38-year-old named Barbara Baines. Unlike the normal run of starchy upper-class nannies, she has had no formal training, wears uniform and likes to be called by her first name.

There will be other breaks with tradition. With her well-known love of small children, Diana will not leave her son as long as Henry's or as in old royal custom of a previous generation the Queen sometimes saw her children for only half an hour a day. Charles, too, has indicated that he will be as involved in the baby's upbringing as any modern parent father. Royal nurseries are increasingly decorated in warm yellow, and a pretty nursery suite, with hand-painted murals and furniture, awaits the baby at Harewood. He may also sleep in the large Victorian cast-iron cradle used by Victoria as a baby.

Meanwhile, no one could doubt that the baby's timing had been superb. It was close enough to the Falklands victory to keep the nation's euphoria in high gear and late enough not to clash with TV news coverage of the blow-up and new diving in the South Atlantic. Another Christopher Booker refused in the Daily Mail that the biggest mood of the country is now strangely different from the gloomy self-doubt of a year ago. Then, or the very eve of the royal wedding, few bombs were feared in Liverpool and London's suburbs.

Still, the new national pride and confidence may not hold. The industrial sector will return aggressively to production, with the threat of national rail strike since 1985 begins that. For a few busy days, at least, everything seemed to have found its reason. And continuity of the Crown, on the tiny person of a blind-haired baby, was reassuringly confirmed for another generation. □

## The best-selling baby

In Saskatchewan the government commissioned Eric Taylor, a 36-year-old welder, to make toys for the royal nursery in Toronto. Canadian Monarchists made merry with madrigals and straw-wreaths and even at Saturday's Royal Canada Festival. But royal watchers were not the only people to celebrate the birth of an heir to the throne. Across the country businesses were selling too. Royal sells in Canada, and nowhere does it sell more visibly than in the nation's book shops.

Large areas of space were being cleared last week beside the picture books of the Queen Mother and lengthy exposés of Princess Margaret. For the royal baby publications that are in stock the market in last August. The birth is a bonanza for us, says Nigel

seller Pat Irons, it is not just the hard-astrophysics who are buying "We will have a lot of books in British Columbia, but we get the French Canadian market too," says Harris.

Marie Perle, a 58-year-old housewife from Richmond, B.C., agrees. Four years ago Perle turned her garage into a collecting space into a small, but thriving, mail-order business. "The royal wedding books have been my biggest seller yet," she says. Now she has placed orders with several manufacturers for royal baby books.

The monarchist market, too, is going strong, and readers expect it to do even better. At A. W. Harkness in Toronto, one of Canada's largest dealers in royal chronicles, prices range from \$11 each for new-produced maps to more than \$1,000 for limited-edition plates.

## CANADIANS HAIL THEIR NEW PRINCE



Myriam at Toronto's Royal Canada Festival: the birth is a bonanza

Barnford, buying manager of W.H. Smith's bookstore. "If it's anything like the royal wedding, sales will be enormous."

In fact, Prince Charles and Diana, Princess of Wales, are already a publishing phenomenon in Canada. An introduction to the Royal Wedding, released at \$14.95 by Collins Publishers, sold an impressive 140,000 copies last year. "We have never had a sales figure like this in a hardback," says Nick Harris, president of Collins. Nor has public interest in the royal baby tale waned. Macmillan Publishers' Diana Princess of Wales, Mother-to-be, released in mid-April, has sold 44,000 copies to date. Princess, McGraw-Hill and Stewart's leap into the royal harem, too, was released only a few weeks ago. It is already number 2 on W.H. Smith's national best-

"We already have modestly priced Canadian-made china commemorating the birth of the heir," says William Bookridge, president of the founder "Winton" a few months we will have about 50 more items." Meanwhile, there is a strong market in memorabilia of Queen Victoria, originally sold for a few cents, which are now worth hundreds of dollars. Royal Albert plates depicting Charles and Diana which cost \$80 per pair last year are now fetching \$200. Royal Doulton figurines of the couple on their wedding day, which are to go on sale in July, have jumped \$1,000 in price even before reaching the market. "I can't wait for the champagne," says a wedding bride. Like many in the same line of business, he is only too glad to put his trust in princess.

—ROBERT MCKAY in Toronto

## Giving birth to a parent



Bell president James Thorpy (left) and de Grandpré in a breathtaking move.

The announcement defied all the laws of natural science. Last last week Bell Canada Chairman James de Grandpré arrived at a hastily called Montreal press conference to reveal that the 103-year-old communications giant he heads had just given birth to its own parent. The mechanics of the operation are simple enough. Essentially, Bell Canada—which currently provides about 30 companies and provides phone services in Ontario, Quebec, the Maritimes and the Northwest Territories—will become a subsidiary of a yet-to-be-formed company, Bell Canada Enterprises. During the procedure Bell Canada will be stripped of everything except its regulated, telephone-related activities. The rest of the empire—which includes everything from management consultants to high-tech manufacturing plants—will become part of the new firm's domain.

While the move is straightforward, planning down Bell's motives is much more difficult. De Grandpré presented it as a matter of convenience for all concerned. The reorganization, he said, will provide a "justification" of Bell's regulated activities, which should make it easier for the Canadian Radio-television and Telecommunications Commission (CRTC). But many critics charge that the reorganization is little more than a scheme to avoid CRTC supervision. Says Andrew Rossan of the Public Interest Advocacy Centre: "The audacity of the move is breathtaking."

Reluctance between Bell and its gov-

ernment watchdog was, at the best of times, tenuous. They reached a new low in 1978 after Bell signed a \$1-billion consulting contract with Shell Canada. Despite the company's lengthy arguments to the contrary, the commission decided to confiscate the earnings from the deal with the firm's other profits. The result: lower rate hikes. Rossan says he sees fears that the proposed severing of Bell's lucrative consulting and manufacturing businesses from the telephone company is just a ploy to boost rates.

For consumers, there may be further developments from Bay Street if the plan goes through. Ken Macdonald, general counsel of the Consumers' Association of Canada, says that once Bell Canada is reduced to being just another monopoly utility, it may find that its borrowing costs will rise.

These drawbacks could be more than compensated for by another factor, however. The corporate juggling could position the parent firm to move aggressively into data processing and computer communications. According to Peter Gaffney, president of the Canadian Industrial Communications Association, Bell Canada's plans have some parallels with recent moves by the New York-based American Telephone & Telegraph Co. (AT&T). Following an antitrust settlement that permitted the company to enter the area of computer communications, AT&T recently set up a new \$100-million company to work in. Although de Grandpré confidently predicted last week that the reorganiza-

tion could come about by the end of the year, it will face many hurdles—not the least of which is the CRTC. Hugh Jevins, the commission's executive director for telecommunications, said that the federal body is already waffling whether or not the proposal is in line with the Bell Canada Special Act. That legislation—under which the company was created in 1880—contains business operating conditions for Bell. Not only that, but de Grandpré's announcement was made on the same day that a special CRTC inquiry into the financial policies of Bell and several other communications companies renewed its final submissions from the industry. Now, some observers predict that the inquiry may call Bell back to take a look at its latest move.

—IAN ADRIEN in Toronto

## Alberta wins the second round

In a case that seemed to meet the highest standards of constitutional controversy, the Supreme Court of Canada last week ruled against a federal tax on provincial exports of natural gas. The Alberta government had sought the judgment to protect sales of provincially owned gas through a pipeline to the Mexican border. What made the issue somewhat fanciful was that there is no such gas, no such pipeline and no such tax. (Then, as now, energy companies exported the gas.) Lawyers and politicians had conjured a fiction to make a point. For Alberta and the industry, however, it was a point worth making.

The dispute erupted at the height of the Ottawa-Alberta energy wars in 1980. Anticipating a federal export tax, Premier Peter Lougheed's cabinet prepared in advance for a court battle—

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drilling the first of three gas wells on a plot of its Crown land and making arrangements for a new pipeline to tie the U.S. border. Weeks later Ottawa introduced its National Energy Program, including the export tax on natural gas. Alberta could not prevent the tax from being imposed inside Canada because it was to be applied to consumers and distributors, not to the province itself. But, after carefully setting itself up as an exporter, the Loughheed interest referred the export issue to the Alberta Court of Appeal.

With no gas produced in its wells and no pipeline built, the facts were still hypothetical. But the issue was real enough: could the federal government tax a resource owned by the province? When the Alberta court ruled in favor of the province, Ottawa immediately appealed to the Supreme Court.

The federal case rested on Section 91 of the British North America Act (now the Constitution Act). That section gives Parliament power to pass legislation for, among other things, the "regulation of trade and commerce" and for the raising of money "by any mode or system of taxation." Ottawa argued that a tax on gas exports clearly fell within federal jurisdiction. Alberta based its case on Section 103 of the same act, which says, "No lands or property belonging to Canada or any province shall be liable to taxation." Since the natural gas would never leave provincial government ownership, it could not be taxed by Ottawa.

In its six-to-three judgment, the Supreme Court found that the federal taxing power is, indeed, limited by the prohibition against taxing provincial property. It left open the possibility that such a tax would be permissible as part of some regulatory scheme, but it ruled that the gas tax was intended mainly to raise money.

The immediate impact of the decision is minimal while the parties were still considering their decision last September, Alberta and Ottawa struck their energy-pricing deal—which includes Ottawa's agreement to drop its tax on gas exports to zero until the end of 1986. The true value of the judgment is longer term. The Alberta government has hinted that if Ottawa attempts to tax gas exports after 1986, the province might block the move by expelling the gas companies as tenants. As a result, ownership of the gas would remain in provincial hands. And Alberta Energy Minister Merv Leach: "The natural gas industry can now carry on with its investment, exploration and development and be much more confident there won't be an export tax after the expiration of the energy agreement."

—JOHN BLAY in Ottawa, with Catherine Ansd in Toronto

## An FBI sting in Silicon Valley

The transaction took place at dawn on the parking lot of Pratt & Whitney Aircraft Group's plant in Blandford, Conn. In return for a suitcase stuffed with money, computer parts were handed stolen passes and identification badges. Then they were led past armed guards to a room inside the plant where a leased IBM computer was stored. One man photographed the computer's disk-drive mechanism, and a few minutes later they made their escape. The next day the photos arrived in Tokyo, where they were scrutinized by engineers of the electronics giant Hitachi Ltd. But what had seemed like a forgery operation proved to be part of a "sting" operation carried out by the FBI. And last week the trap snapped shut. A total of 28 businessmen—including 12 Hitachi employees and four from Mitsubishi Electric Corp.—were charged with paying an FBI agent a total of \$648,000 to steal details of the latest IBM technology.

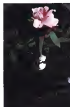
In the wake of the crackdown the companies denied the charges and the Japanese press was in an uproar. But according to FBI spokesman Tom Anderson, the agency and FBI became aware last year that Japanese businessmen were making a concerted effort to obtain computer secrets from the U.S. company. As a result, he explained, the FBI set up a phony computer consultancy company in California's Silicon Valley with a mandate to offer Japanese companies secrets. But, judging from Tokyo's reaction, the sting may have a high payoff cost.

—WILLIAM LORINCZ in Washington

## Two Japanese under arrest in Detroit



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# Little joy under the Dome

By Derreck McQueen

Maclean's smile excepted, there has been written about Jack Gallagher's grin than any other year of pained life in history. In his book *The Architect*, Peter G. Newman devoted 90 words to a description of the chairman of Dome Petroleum's finaling south. An earlier draft, added down for final publication, had wound elegant for a full page. I once listened in stunned disbelief as one of Smiling Jack's (as he is universally called) competitors explained in lengthy and verbose detail that it was actually the architecture of Gallagher's jawline that caused his upper lip to draw back, thereby exposing classical teeth even when he was not happy. These days, however, whenever he is seen behind the smile has turned to pain.

To understand his dilemma, remember that he was Dome Petroleum's first and founding employee in 1960. From that one-man band he has orchestrated Dome into Canada's largest oil company, the largest gas producer, not to mention (along with Hilbert) the country's last best hope for self-sufficiency. However, with the estimated \$5.4 billion Gallagher has coaxed from the banks, it is also the most debt-ridden.

Until a year ago Dome was the darling of the Oil Patch. A person who bought a single share in 1980 when the company first went public would now hold 50 shares because of regular stock splits. Dome drilled the first well in the high Arctic (and found gas) in 1980. Not only did Gallagher have a sandwich plate named after him at Calgary's Petroleum Club, but there was an amendment in the 1977 federal budget that was all his, too. It granted generous super-depletion allowances for wells to be drilled that cost more than \$5 million. Only Dome was drilling such wells and only asked the job in the Beaufort Sea, where the federal government desperately wanted to find an oil elephant. When the National Energy Program (NEP) was announced in 1980, Dome was the firm most audaciously carrying out government policy. No other businessmen can match Gallagher's record, his personification in the

corridors of Parliament, his hand guiding an elbow, his lips pressed to the ear of power. Nor is anyone else quite so good at growing the executive offices at banks, where he is the eternal optimist, a crack visionary with a partner that's as smooth as a kitten's wrist.

A year ago, when Dome repatriated half of Molson's Bay Oil and Gas (BOG), he tapped four Canadian banks for the required \$2 billion. When the time came to finance the second half of the purchase a few months later, the same banks blinked and refused, so Smiling Jack just went south and snagged \$1.6 billion (U.S.) from a group of U.S. banks. The purchase was a bold move that doubled Dome's assets—but crippled its future, too.

For, while Dome was swallowing money, the world was having blackouts. What happened, quite simply, was this: after 30 years of brick-by-brick building, Gallagher had given in to acquisition-minded colleagues at just the wrong time. It's not that he's trying to

shift the blame, mind you, but he was 66 years old, and those young bucks were given their heads. The banks' misadventures were faulty, too, and they realized their poor judgment even before the inspector general of banks, with the Dome issue in mind, announced one condition to buy an loan from individual banks to a single borrower.

With so many at fault—graphic acquirers, coverage bankers and thoughtful governments—Dome must not be allowed to go under. Gallagher has already taken a significant first step, one that is a painful operation for a personal optimist. To raise cash he is offering for sale all of his international life's work, \$1 billion in assets. Times are tough, so top prices are unlikely. Worse, his vision is being constrained, for some decisions served up as sapper for his armies.

It is time now for the banks and the federal government to make an equally difficult move and find a co-operative solution which may need to go beyond just restructuring the loan. The \$1.6-billion bank loan that the cabinet last week ordered Petro-Canada to guarantee for Dome is a start. If that is not enough, further government involvement in oil companies should not be ruled out. Historic views one-quarter of Summer Quebec in spring Ultramar and Gulf. The federal government could easily take an ownership position in Dome through Petro-Canada in return for an injection of much-needed cash. The banks are also already in the petroleum business, not just as lenders but as owners (through a little-known company called Tropic of \$1 billion in assets) and even gas from the TransCanada Pipeline system.

Why help Dome and not someone else? Because Dome is not some corner store in trouble, it is a cornerstone in Canada's energy. Governments and banks must adjust their post-fault and derive a new social order. The alternative is *Rosie IV* if Dome drowns, allowing shareholders and suppliers to suffer while the secret banks smile. In a country such as Canada we need more dreamers like Smiling Jack. And anyway, who would wipe the sweat from the old trooper's face?



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# All the world's the Cup's stage



El Salvador's Luis Guerrero dives to win the ultimate sports event, surpassing even the Olympics

By Rick Rabinson

Thousands of jubilant Brazilians went cheering and sunbathing through the streets of So Paulo, Spain, after their team's defeat of Scotland, and the world's supreme sporting event, the World Cup, was off to a rollicking start. Some \$1.5 billion television viewers around the world—something like one in three human beings—were tuned in watching every corner kick and cross. The Cup in the ultimate sports event, surpassing even the Olympics. There is more excitement, more suspense in defeat, excitement in victory and more spectators than for any other event. With the addition of eight teams to the tournament, swelling the field to 24 from the traditional 16, it can be argued that this is the biggest sporting event in world history. Gaudian fans, aside to watch on home TV for the first time instead of on closed-circuit satellite telecasts, are watching 37 of the matches on the CNN English and French networks. In England, the finale of the game, on camera, is offering a series of X-rated films for housewives viewed by 29 days of 12 games' worth of football on the telly.

The profile of winning the quadrennial extravaganza is enormous, not to mention the hundreds of thousands of dollars to the winning squad members. Competition for the '82 World Cup began two years ago when 136 teams played elimination matches all over the planet. Only 24 survived to

make it to the championship round in Spain. They are being whittled down to two finalists that square off July 11 in Madrid. It all adds up to a giant fest, an international "happening" that has drawn 7,000 journalists and half a million fans, tourists and jet-setters. Fiesta time for some of the established soccer nations may be a little delayed, though. For no reason had the Cup kicked off than some of the teams, Brazil apart, began losing. West Germany got off to a less than auspicious start with a humiliating 2-1 loss to 2,000-to-1 long-shot Algeria. British looked in defeat, exultation in victory and more spectators than for any other event. With the addition of eight teams to the tournament, swelling the field to 24 from the traditional 16, it can be argued that this is the biggest sporting event in world history. Gaudian fans, aside to watch on home TV for the first time instead of on closed-circuit satellite telecasts, are watching 37 of the matches on the CNN English and French networks. In England, the finale of the game, on camera, is offering a series of X-rated films for housewives viewed by 29 days of 12 games' worth of football on the telly.

Shah Fahd Al-Ahmed Al-Sabah celebrates



newspapers the world over had a field day. "The master race has Algeria and kicked in its face," ranted one.

There were more early shocks, too. Spain, third choice with the bookies, could only be Honduras 1-1. Before Spain's wildly partisan fans—home teams have won three of the past four World Cups—the underdog Central American took the lead on a goal by Hector Belague. Spain's second-half equalizer came after a dubious penalty awarded by the referee. One Honduran player labelled it "a courtesy goal" referee-given our Spanish hosts. "He was to prove prophetic," in Spain's next game, with the score 1-0 in favor of Yugoslavia, in Spain's Miguel Alana game sweeping through the defense and was clearly brought down a couple of feet outside the penalty area. The Danish referee awarded a penalty, which Spain's Ulfaric promptly missed. But the referee ordered the penalty taken a second time because he judged that the Yugoslav coach had moved too soon. Forward Jovanovic smashed in the goal, and Spain went on to win 3-1.

An Spain struggled on, the big start of the '82 Cup was still the quaint Third Worlders. Traditionally, Cup battles have pitted the Europeans against the South Americans. And probably thirteen from their two continents will compete the final, but the experts are early showings by rank outsiders makes it apparent that world soccer is undergoing a dramatic change. Africa, Asia and Central American soccer is

standing up with the rest of the world—witnessing the decline of FIFA, the world football governing body, to increase the number of tournament participants. "Football has never witnessed a revolution like this," commented London's *The Observer*, while Yugoslavia's industrial manager, Miljen Milovic, added, "We must all adapt to the new age."

Still, no one could have forecast Cameroon, which had brought along its own watch doctors and a supply of monkey meat, holding soccer-odd Peru to a 0-0 draw. And the Kuwaitis, the tiniest competing country (population one million), a 300-to-1 outsider, held a supposedly solid Czechoslovakian team to a 1-1 draw—and could easily have won. But there were cynics in the crowd. "They've got the biggest bastards!" said a German. Indeed, the oil-rich Kuwaitis had spent lavishly to train their players, who are paid \$200,000 for victory, and hired a Brazilian coach even though that there was trouble in their second game. France smashed four goals past them, and the Kuwaitis walked out of the field after the fourth, claiming that a whistle in the crowd distracted them. After seven minutes of posturing—each with its own style and fanbois, a Kuwaiti player, Sheikh Fahd Al-Ahmed Al-Sabah, in dozing robes and a pink headscarf, persuaded his players not to be rewarded when, as any cynic could have forecast, the Soviet referee changed his mind and refused the French goal. Whereupon the French walked off. The game was finally completed with players from both sides shaking hands.

France 4, Kuwait 1. Two days later the Kuwaiti team was fined \$15,500 and the referee was suspended. The jolly folk who brightened the whole mood of the World Cup were primarily the Scots. They came flooding down to Maling and Seattle in cars, trains and double-decker buses—15,000 of them. "I took me three years to save \$100 to come here, and I've got me job but I don't care," declared 35-year-old Orlan Drummond. "Some of the lads are sleeping on the beach sitting next every night. It's damn marvellous. Our hearts are with Scotland. Scotland's magic." That magic didn't work on the field. Scotland baffled and perked before overcoming a

totally inexperienced New Zealand side 2-0. Losing to Brazil 4-1 was no disaster, but the Scots needed a win against the Soviet Union to survive. The atmosphere at La Roskilde stadium in Malmø was tense. Antor Sean Connery and singer Rod Stewart showed up to support Scotland. "We're going to part the lawn pitch," said Stewart, but he was a little behind the times. The job had already been done.

The Scots attacked hard in the first half, and Joe Jordan, beached in the first two games, scored to give Scotland the lead. But the game ended in a 2-2 tie, and the Scots were packing for home. They had the same number of points in the hard-nosed Soviet game but had an inferior goal difference, so the Soviet Union squeaked into round two with Brazil by the narrowest of margins. The Scots celebrated anyway. "We beat the Russians 2-0," roared some fans in a Malmø bar.



Other teams were not so happy. The defending champion Argentina lost their first match 1-0 against a steady, defensive-minded Belgian team. The Argentine players, several understated by the *Fulcrum* times. "We will fight for our country on the soccer field," said their manager, Cesar Menotti. The English papers wallowed in their misery. *ARGENTINA*, covered a head-line in the London Sun. The Argos were down but not out. Five days later they rebounded with a 4-1 win over Hungary. This time the English papers praised the "Magic Maradona Show," referring to Argentine superstar Diego Maradona, rind the world's best

player, who scored twice of the goals. Argentina then scored a 3-0 win over El Salvador to qualify for the second round. There is little chance that Argentina will meet England unless it is the final match or the match for third place.

That is for the best. English football fans are a notoriously rowdy bunch. After England beat France 3-1 in what was billed as the "Blood Battle of Agincourt," English fans tossed spitballs and there were a number of street fights, one resulting in 14 arrests. At one point during the game, union-wielding riot police backed their way through a section of the English fans, many of them proudly wearing T-shirts declaring, I'm a soccer fan, I'm a soccer fan. But the Scots' cap's biggest losses was the market sales. Madrasapala, a specialty created consortium of Spanish hotels and travel agencies, was given a virtual monopoly. There were crummy seats in most stadiums, even for the opening ceremonies in Barcelona, a spectacle that rivaled any Olympics.

Out of the hairy-berry of the first 29 days of the Cup play, the 12 remaining teams were split into four groups. On the early forms shown in the first round, the countries that had the best records were going forward to qualify for the semifinals would seem to be Brazil, Belgium and Spain or England, who spent get past Argentina. Argentina and Italy are in the same group, while Northern Ireland, France and Austria form a group, and the Soviet Union, Poland and Belgium another. One nation survives from each group. The Soviet-Peak and game, with its

overstated bravado, should have bits and parents say that soccer promises will run deepest when Brazil and Argentina clash. Predictions are a fool's game, but a betting man might well choose Brazil and Spain for the final game. Brazil has won the World Cup three times, more than any other nation, and with the flow of Sorcerer (a 20-year-old medical doctor named after the philosopher), Raul, Javier and Falcão has the most solid all-round team. But a lot of money is at stake, which means he counted out at home and seems to have the referees on its side. As for a winner, one anyone really thinks that samba best? "Avante, Brazil, Avante!" ◇

# CANADA WITH LOVE

This week is the official publication date of *Canada With Love*, a collection of 56 photographs called by *L'Espresso* *Mask* from among the 28,000 entries in a nationwide contest sponsored by McDonald and Stewart, the book's publishers. Mask, whose *Canada: A Year of the Land* set new standards for photographic vision, has put her winning pictures together with appropriate captions collected by John Robert Colombo to provide a shrewd look at this country's natural beauty. Maskian's poems (this exclusive excerpt as well as the book's introductory essay by artist Harold Town).

Canada is a vast, half-dressed landscape in search of a country. As a people we are chained to the mystery of our endless sky, to the sudden flooding rush of spring, the fat buzz of summer, and the ruthless death of winter through which in every crash of ice we see the green promise of a mystical tomorrow. We are wanderers in the largest uninhabited country in the world, refusing to sell ourselves into a specific people who bear a banner of race and mission. Unlike nations with a perceived destiny we do not push out from our frontiers to claim a larger part of the planet either through



*I'm standing here before you  
I don't know what I bring  
If you can hear the music  
Why don't you help me sing*  
—Leonard Cohen

war or cultural influence. Having journeyed to the mountains, forests, and plains, we stay here.

As frontier people we marvel at our good fortune and do very little about it. Refusing to square our lively land into one substantive racial symbol we stand on the threshold of identity, snuffing our feet on the world's longest undefended border, imagining we are tap dancing to a universal beat. In fact, we jig to another tune, another beat: the keening cry of the loon, the crunch of frost-cooked snow, the waxy slice seefle of fallen leaves melting towards winter on the dying grass. Weather has been substituted in our ethos for a national symbol; not fur on the bison, hilt, or star-board top but of instant identity. We are a nation of thermometers sweating cold fronts as if we had to harvest the knowledge of the world before the next snowfall. Our seasons are nature's guidelines. Summer ends with a chop and we drop into the basket of fall, heartily tuned enough to remember the sun, and quickly fade in winter cold, waiting for a spring that whips the snow to



Queen Elizabeth, Manitoba, Saskatchewan (left);  
February, overlooking Georgian Bay, Ontario (above);  
Glacier National Park, British Columbia, (right)

ALAN COOPER

shook in a blink, turns the air into a breathable mist, yanks creases out of the ground by the hair, and sneaks off leaving us with dreams of Jeanette MacDonald singing small apple blossoms.

Having opted for the cultural mission, we comprehended landscape as the mirror image of the ethnic patchwork that is Canada. For us, nature and her agent weather are the yards that make the blood rise. Canadians are riverstone, even conquisitive, travellers. They seem bound to take in the whole world just to prove how large Canada is. Nevertheless, Canada goes with them. I knew a man who took a Tom Thomson calendar to Paris to remind him of Algonquin Park, which is like constructing Fort Knox with a gold ring.

Though stinkiness brings rainy seasons to the declared national dream of a cultural checkbook, conduct is inevitably overwhelmed by two feet of snow, a February chinook, or the early arrival of the Bohemian Wrecker. In the middle of a Constitutional controversy that many Canadians politely avoided, the first forest fire, a cat stuck atop a dead elm, or the opening of the fishing season were matters of greater concern to our citizens.

E.J. Pratt was the one Canadian poet who had the line in him to narrate this immense land with a personal vision of grandeur and destiny. On February 4, 1962, we celebrated the

centenary of his birth by ignoring him. Instead, we choose to be symbolized through the Great of Seven and their paintings, suggests memories of a landscape that never seems to leave the mind, or the subconscious, and which are finally just as effective as a postage stamp.

No matter what economic or political crisis threatens our social order, we shake our fists at the sky and rail against fate, but there are not enough of us to dim the clouds or muddy the blue underbelly of the heavens that is really Canada. Our troubles are minuscule when compared to the space we inhabit, our ideas, if not caught immediately, roll on indefinitely past miles of shimmering wheat, through giant gorges and over mountains into outer space. There are no bleachers to house a distant perception of nationhood against. We cannot thumb about in a province for a few hours and declare, "This is Canada."

Scientists believe that North America was formed when a giant meteorite crashed into what is now central Canada. This stupendous collision set off a series of volcanic eruptions that lasted for millions of years and formed a ripple effect of granite rock emanating from the point of impact through the rest of the continent. Canada is seen, as if by chance, to have absorbed the fact that our land was once the very centre of continental creation and that the slowly moving mass of liquid

Geese Lake in the Cypress Hills, near Medicine Hat, Alberta (below); Mount Wilson in the Northwest Territories (right)



Each nation built its own country in the map a country must be  
A state of mind  
—Sid Marty

rock was our final expansive geographical move. In the great countries of the world, those nations that are old in death and resurrection, in feud and compromise, in miracle and aquifer, all roads lead to the cities, cities that have suffered conquest and destruction only to be built again on layers of history. In Canada all roads lead away from cities. We have an extraordinary urge to build in the bush, as witness the leaping rush to cottage country at the end of the school term, as urge to cleanse ourselves outside the city. There are in Canada no superb urban centres to be overshadowed so from the call of the wild. We possess clean cities, gassy cities, even gasless cities that we do not have a city that is greater than its myth, a city that dwells in the imagination of the world. Sometimes, nevertheless, comes frost lakes and trees, broken, branch and rock. Nothing can stand against the sensory blast of maple red in autumn, or that moment when the double distilled air might take vision and fill the nose with all the unseen mysteries of water and earth, in that paganant dying time before the final purple hue of fall transforms the land into a violent cushion, in those days of midwinter when the air rises in shimmering columns steaming from the growth beneath, when birds have to cut their way through the richness of the time, and the long, gentle evenings of golden dusk are passed forever on the mind. And then it is winter, with snow so white and intense it seems to drive the eyes back into the skull. Life goes on beneath the soft insulating cover, in mile-ways as intricate as freeways, and watercrests lives under ice in the stiff flow of a frozen stream.

Canadians give themselves completely to the seasons, our seasons narrow and encompass a historical vacuum. In this we are recitivist, far without plan or source: we have avoided civil war and real international contention. Canada has as



On the Mississippi River near Sudbush, Ontario

dream of empire, no wish to control or monopolize. Our foreign gardens are in the eye, we marvel at our lack.

We are not a nation in any ordinary sense but a collection of lands, wanderers in a defined and bordered land. Most countries exist beyond landscape, past a precise geographical location. We exist behind ours.

In many ways we are similar to the Celts in our mythical deterioration: it remains in flux, in movement with the wind. Though Canada has an immense government we have no sense of being governed. We believe in earth, trees, and sky, and it is possible that by refusing to become a nation in the ordinary historical sense we have become something more.

First The Canadian Publishers, McClelland and Stewart Limited

When Margaret Thatcher arrived in Washington, D.C., last week for talks with Ronald Reagan, she was greeted by a poster tribute in The Washington Post apparently written by the Saudi Arabian court poet when the British prime minister visited Saudi Arabia last year.

—The Ode—

When she appeared by moon/And the far more attractive women, Margaret Thatcher/Was welcomed by the Al-Jahil/My heart races/And when I saw her face to face/Her skin was smooth as ivory/Her cheeks as rose as an English rose/And her eyes as lovely as a mare's/Her figure is more attractive than the figure of any elegant style at a cocktail reception

The effect of this panegyric on the subject is unknown. But The Sunday Times of London, the Associated Press wire service and the Toronto Star all revealed it. However, as with all too many such things these days, it was a hoax. According to an unnamed official at the Saudi Embassy in Washington, there is no such thing as a Saudi court poet. "Somebody has read The Thousand and One Nights too often," he says. When asked about the poem last week, Thatcher looked rather stunned and dismissed the embarrassing question with a quick shake of the head. Later, one of her aides said: "Mrs. Thatcher has a country to run and a very difficult situation in the South Atlantic to deal with. As far as she knows, no one has written a poem about her."

When Argentine tennis sensation Guillermo Vilas vowed last month to give up sex in order to concentrate on becoming the world's best tennis player, security sources around the world wondered how long his willpower would hold out. They did not have long to wait. Last week *Pierre* Match magazine delighted in exposing the fact that Vilas, 29, had flown to a remote Pacific island with glamorous Princess Caroline of Monaco, 35, for a secret rendezvous. The magazine published candid photographs of the couple swimming and embracing on an idyllic beach and sitting on the balcony of their hotel. A spokesman for the daughter of Prince

Farmer and Princess Grace said Caroline "has known him [Vilas] for about 10 years, just as she knows the racing drivers and other tennis players in Monte Carlo." The trial may help lift Caroline's nagging spirits. Since her widely publicized divorce from French businessman Philippe Jeanté in October, 1980, the French media have portrayed the princess as a "sad" and "self-dramatizing" divorcee.

For soprano Susan Austin, 38, of the Canadian Opera Company, the road to achieving wide success has been dotted with international intrigue. Last month the singer traded to visit Bahrain, Saudi Arabia, with pianist Anne Cross,

28, to perform seven recitals at the Arabian Oil Co. house. What the two Torontonians failed to realize, though, is that the reclusive Muslim country does not welcome foreign entertainers—especially attractive, single women—with open arms. At first, Austin was refused an entry visa by Saudi officials on the grounds that she was "too attractive"—even though Arabian officials declared that she was a "consultant." Following the snafu, Austin was advised by an American travel consultant to have an uglier passport photo taken of herself—one with her neck, chest and chin modestly covered up. With that in hand, she and Cross were permitted to fly to the Persian Gulf city, where they performed Brahms and George Gershwin songs for Arabian's North American employee overseas.



Thatcher admired



Austin (top) snubbed for her looks. Princess Caroline: secret rendezvous



It was only a matter of time before *River O'Neal's* son, Griffin, 17, would grace the screen. The happy-faced, freckle-faced actor—son of actress Jennifer Moore and her brother of 18-year-old Tobias O'Neal—makes his screen picture debut in *The Escape Artist*, a suspense film directed by *Carole O'Connell*. O'Neal portrays Danny Masters, a teenage magazine, and masters with *Don Amos* Jr. and *John Hackett*. Although O'Neal and his father lost starring roles in *The Champ* to *Jon Voight* and *Rocky Schroeder*, the younger O'Neal was convinced that one day he would join the family trade. "They [Ryan O'Neal and his girlfriend, Faye Dunaway] knew I could do it," he says nonchalantly, adding that he wants to maintain his "little acting career" to buy a Grand Prix racing car.

—EDITED BY CAROL BREMAN



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# The trials of the insanity plea

By Brian D. Johnson

David Lavrieux was optimistically drunk when he used a baseball bat to kill the woman in bed beside him one night 10 years ago in Oakville, Ont. When he came to his senses, he sank into a depression and wondered if he were crazy. Although psychiatrists found him sane by the time of his trial,

distress, and a series of new developments have turned the insanity defense into a highly unlikely option for the accused. A recent Supreme Court decision has severely narrowed the legal interpretation of insanity. Some lawyers now say there is virtually no chance of winning an insanity defense without backdoor consent from the Crown. At the same time, however, the

trially detained or imprisoned." Meanwhile, the lawyers and psychiatrists who make their living battling over the sanity of defendants in the courtroom are increasingly frustrated by a system that leaves them stranded as such other's professional terms as legal and psychiatric concepts of insanity have little in common. The psychiatrists stress that insanity is a legal term, not a medical one, and, while they are contently asked to decide if a defendant is fit to stand trial or if he was insane at the time of his offense, they say both diagnoses involve legal tests they are ill-equipped to make. Says Ceylan Membrane, a forensic psychiatrist working for Ontario's ministry of correctional services in Hamilton, Ont.: "The basic issue is that the courts are making medical decisions by sending people to hospital especially when they need their treatment." Moreover, like many of his colleagues, would like to see psychiatric interventions deferred to the sentencing or post-sentencing stages of a trial. In the case of the Ontario murder of Mark Chapman, for example, the judge, who sentenced him to 30 years to life, also recommended that he receive psychiatric treatment during his confinement. Gerald Green, a Vancouver lawyer who also represents mental patients, urges that the insanity defense be abolished.

Green says the courts should not be bothered about why someone commits an offense—in fact, many risk (mental) awareness is still cherished as a vital prerequisite to guilt in most basins of Western law. Lawyers who use the insanity defense, however, are often outraged to see their clients forfeit their legal rights upon acquittal. They are confined to a mental institution, as a Lieutenant-Governor's Warrant (LGR), which can only be lifted by a provincial review board, whose recommendations are not always respected. The five-member boards—usually composed of psychiatrists,



Lavrieux: "By screening the system, I screened myself."

they agreed he was psychotic at the time of his offense, and a jury found him not guilty of murder by reason of insanity. Lavrieux was spared a prison term, but, as he chain-smokes cigarettes on a plywood table in the waiting room of the maximum-security unit at Penitentiary Ontario Mental Health Centre, he now regrets his acquittal. "By screening the system, I screened myself." If he had pleaded guilty, he could have had his charge reduced to manslaughter and been released as a parolee after five years. Now, after eight years inside, he may never get out. The insanity defense is often criticized as a shelter from punishment. But, for Lavrieux, John was turned from a legal loophole into a bottomless pit.

The fate of offenders pleading "not guilty by reason of insanity" has recently become one of the most inflammatory issues in criminal justice. Some psychiatrists and lawyers charge that the plea has perverted the courtroom into a diagnostic clinic, where insist that mental disorder constitute a crucial variable in assessing guilt. But the public worries that the plea may be too easily manipulated by the offender to circumvent the legal system.

In the United States, a movement to abolish the defense altogether is gaining ground. The political outrage over John Hinckley Jr.'s acquittal last week for attempting to assassinate U.S. President Ronald Reagan has given the movement some momentum. (One slain victim has already abolished it.) Ultimately, opponents to any form of U.S. mental institution has become a "revolving door" that releases dangerous offenders within months of their trials. Hinckley, for instance, could be released in seven weeks.

But in Canada the situation is radically different. Those acquitted by insanity face much stricter detention con-

ditions, and a series of new developments have turned the insanity defense into a highly unlikely option for the accused. A recent Supreme Court decision has severely narrowed the legal interpretation of insanity. Some lawyers now say there is virtually no chance of winning an insanity defense without backdoor consent from the Crown. At the same time, however, the

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Insanity means?



lawyers and a judge—review each inmate's case every six months to a year, and they offer it right of appeal. Although the number of LGR patients in it is slowly rising, there are now about 300 in Canada.

Arguing that mere blanket application of indefinite custody is unjust, Canada's Law Reform Commission recently urged that the LGR system be abolished five years ago. But last month the commission issued a draft proposal to broaden the insanity defense to include "diminished responsibility" under the umbrella of mental disorder. Under the Criminal Code, a person is deemed insane "when he has a disease of the mind that renders him incapable of appreciating the nature and quality of his act." Noting that the

criminal homicide law neither has nor there."

Even though the Wyndham decision was specifically aimed at psychiatrists, the ruling has since been broadly applied. But psychiatrists present a unique problem. While morally decent, they are often intelligent and acutely aware of their actions, so they try to qualify as sane under the law. Although these patients often do not respond to medical treatment, about 15 years ago Penitentiary psychiatrists began to encourage the admission of psychopaths. But experimental therapy programs have had little success, and now the commission is swinging back to the idea of putting such psychopaths as the notorious Clifford Olson in prison.

Penitentiary inmates, such as Lavrieux



Green (left) and Membrane arguing that the insanity defense be abolished.

law applies only to someone whose understanding is impaired, the commission suggests that it should also cover someone whose self-control is impaired.

But recently, the Supreme Court of Canada set a precedent by quashing an insanity acquittal because the accused knew what he was physically doing to his victim. That ruling came in the case of Christian Kolton, a psychopath who raped and bloodgusted to death a female taxi driver near Calgary while on leave from an Alberta mental hospital in 1977. Last December the Supreme Court agreed with the trial judge that Kolton was legally sane because he appreciated that "he was hitting the woman on the head with the rock and was causing physical injury which could result in death." The court's majority said that the accused's mental state was irrelevant, and the judge "Whether it se-

and Wayne Mason, claim they are labelled "personality disorders," or psychopaths, not of bureaucratic convenience. In Robert Fleming, director of Penitentiary's forensic assessment unit, defines a person with a personality disorder as someone "who gets into enough conflict with people around him that somebody notices." Such a broad diagnosis obviously overlaps into social and political behavior. "If I conclude, it's a symptom," says Lavrieux. "If a staff member complains, it's a grievance." Adds Mason, who was acquitted of strangling a male acquaintance seven years ago: "I was treated a paranoid schizophrenic at trial, but that's all for me, eh? And I'm as sane as a psychopath when that table is alone," he says, tapping the plywood surface.

The ambiguity of the system is that in order to be found not guilty by reason of insanity, the accused has to be

sane enough to stand trial. Fleming claims that far too much effort is spent trying to ascertain a person's mental state since the time of the crime. "It's a useless exercise, because often it doesn't relate at all to what's wrong with the guy."

These demands to stand trial while sane are a legal no-man's land. While most provinces set the threshold down to five or 10 per cent, more than a quarter of Quebec's 200 LGRs and half of New Brunswick's 34 LGRs are deemed unfit. That status, however, evaporates if the defendant recovers, or if charges are dropped. But there have been cases of people languishing in prison for years. In Ontario, a mentally retarded man suspected of pursuing a woman in New Brunswick, was found unfit and spent 16 years in an institution before a public outcry persuaded authorities to release him.

That the mentally ill may have legal rights is a relatively new concept. Dr. Barry Boyd recalls that when he first started as Penitentiary's medical superintendent in 1960, "nobody got out—period. If a killer dies well now, he's got a very good chance of being back on the street."

So far, however, no killer released from Penitentiary has committed another murder. Charles Boyd, "Dumexco" because among the mentally ill is a very rare event. Yet the public, fuelled by Hollywood images of the ethereal inmate, has trouble with a benign view of killers. Jerry Springer, law professor at the University of Victoria, doubts that society is ready to accept psychiatric causes for "the bloodlets of the world," noting that juries are often skeptical of anyone who pleads insanity. "The jury seldom sees the accused actually looking like a raving lunatic." Even a murderer such as Ralph Power, who hammered to death a Toronto fashion model, was found sane and guilty of first-degree murder last February.

Some LGR patients, charging that "treatment" is euphemism for punishment, would welcome a prison sentence. Lavrieux claims that subtle coercion, nightmarish drug treatments and enforced isolation of mental institutions are worse than anything he has seen in prison. Outraged, some inmates have begun to launch lawsuits against the institutions. Kilian Hardy, who has had assault charges against the Penitentiary staff, has spent 16 years in LGR custody while being acquitted of a child-molestation offence.

While Lavrieux by inmates' admission, the insanity defense leaves its affairs in an all-or-none legal apparatus. And, ultimately, both the present system of insanity and the kind of description of self found themselves ill-equipped to unravel the chaos of madness. ☐

## The furore over surrogate motherhood

About a year after Barbara and Gordon Apperley were married in Delta, B.C., they discovered she could not bear children. Like many couples who are infertile and find the thought of a childless future unbearable, they applied to an adoption agency. But, after months of anxious waiting, they became discouraged. "We toyed with the idea of using my sister," she confesses. "I had no qualms about it. I just thought it would be nice for the baby to have Gordon's genes. He's so brilliant." If the Apperleys had failed to adopt a baby by the traditional legal route, they would have opted for surrogate motherhood.

Given Canadian adoption agencies' rigorous screenings and long waiting lists, many single couples may have unsurprisingly pursued that route. In British Columbia alone, a mere 300 adoptions are placed every year, even though more than 1,100 couples wait. As a result, about 85 per cent of the applicants withdraw. "This gives up hope or gives up on the idea of having a family," says Victoria social worker Elizabeth Koehfert, who has managed an adoption case load for 20 years. As the numbers of adoptable children continue to decrease, Koehfert is not surprised that couples are tempted to hire surrogate mothers to bear their children.

Capitalizing on the trend, various companies and individuals in the United States are profiting from mother substitutes who are willing to be artificially inseminated. The Surrogate Parenting Association Inc. is Louisville, Ky., reports that it receives 10 Canadian requests a year. Joel Kossin, a Dearborn, Mich., lawyer, recently launched a Canadian advertising campaign and announced that he had received \$10,000 from a Toronto couple for a baby due last week. In the past seven years Kossin claims to have placed 20 babies and says that five of his current clients are Canadian. "If artificial in-



semination payments are legal," he argues, "then why not this?"

The law, however, has fallen behind the technological times. No legislation exists to govern either the practice of artificial insemination or surrogate parenthood. Bernard Dickson, a law professor at the University of Toronto, charges that the laws are inadequate simply because the scientists have never posed their minds to the question. "The legal system may end up having to deal with surrogate motherhood by accident."

But a case may never reach the courts. In most provinces a couple can contract directly with a surrogate mother for a baby without violating any laws. Once the baby is born, all the father needs to do is claim paternity and arrange for custody. His wife automatically becomes the infant's stepmother. Once the child is living with the couple, the wife can adopt the child, thus becoming its legal mother.

The only sticky legal issue is the question of payment to the surrogate mother for her services. Under Canadian law, no money can change hands to procure a baby for adoption. A third party such as a lawyer can only charge

for expenses (Ontario allows a maximum of \$1,500). In the Toronto couple's case, the surrogate, who was supposed to be paid \$15,000, wanted her right to the money. By doing so, she protected the husband and herself from criminal prosecution and fines of up to \$5,000.

But the legal problems and lawsuit possibilities arising from the civil agreement between the surrogate mother and the donor father are numerous. No piece of paper can force the biological mother to surrender her child. What's more, if she keeps her baby, she may be entitled to maintenance payments. In the event of such a breach of contract, the father would have to sue for custody. (A similar California case was withdrawn from court last year before the issue could be resolved.) If a payment were made, however, the father could launch a lawsuit to try to recover the money.

While the legal issues of surrogate motherhood remain unresolved, so do the questions of ethics. What happens if the child is born with defects, and what criteria are used to choose the surrogate? Even though specific guidelines are before the scientists of surrogate, Kossin refers candidates to Dr. Philip Parker, who assesses the mental and physical well-being of every woman (half of the surrogates are married, and all, so far, have been white). Says Parker, "Surrogate mothers are an increasingly high number of Catholics."

Whether the practice of surrogate motherhood is illegal or immoral does not seem to deter or repulse couples wanting children. "As light of our present practices with respect to adoption," says Jeffery Wilson, a Toronto expert in family law, "the money paid to surrogate mothers is not inconsistent or unsavory. Besides, surrogates are performing a service for society." But, he adds, regulation is imperative.

—SARAH JANE GIBNEY, with Alex from Jane Musing

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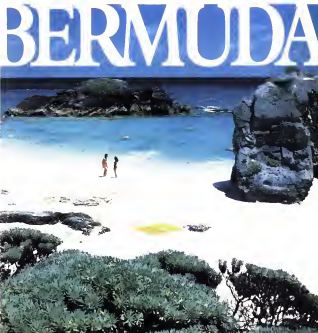
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# The lapses of an engaging teacher

MICKELSSON'S GHOSTS

by John Gardner  
(Random House, 380 pages, \$27.95)

As an outspoken advocate of "mean" fiction, John Gardner preaches that novels should provide lessons on how to live instead of disappointingly listing the ills of the world. While this may be noble in an ideal, it can be dangerously delusional when put into practice; characters lose their credibility and humanity when they become mere vessels for ideas. In *Mickelson's Ghosts*, Gardner has allowed a torrent of lessons and ideas

dominate the book (and we would have been trusted to deduce the morals solely by the actions of the characters). Mickelson's reactions give the author license to renege on everything John Gardner Knows About Ethics. Beyond its ironic confusions, Gardner's miseries on cramming lessons by lecture, a first-year philosophy course into the narrative is all the more unfortunate because it detracts from a thoughtful and engaging plot. Mickelson becomes entangled in a sloppy divorce, a world after with a 17-year-old, an infatuation with an amphetamine professor, the demands of a student

himself about father and Nietzsche. When Gardner finally ties up the loose strands of the sprawling plot in a gripping climax, it is too little too late. By now the reader has been so overruled by Mickelson's verbosity that the thrilling agency of the narrative loses its power.

Gardner's strength as a fiction writer has always been his sensitivity to and "a life, personal and lived, proven otherwise to be noble and worthwhile." It is his tender novels and short stories that accomplished this conscientious celebration of human community through what Sidney described as poetry's "subordinate ways of their former rabbis, an older gentleman who looked like

nothing less than another Einstein, one who would fulfil his dreams of altering cosmic natural laws hitherto considered unchangeable"—like the tendency of capricious smoke to rise, or dust to settle. When his proud family buys him a piano, hoping that he will become another Beethoven in his spare time (when he isn't busy being a famous surgeon or judge or scientist), Eliot knows he is in trouble.

The second here of the story, a young Lubovitcher rabbi—a member of an extremely orthodox sect—descends on Shostke like an extra-terrestrial, and appears just as much unexpected. With his long, and shaggy, black beard and wide-brimmed hat, Rabin Kalman Weitzman not only stops the perfidious dead in their tracks, he makes the Jews swarm too. Used to the dignified but subordinate ways of their former rabbis, an older gentleman who looked like

Morley Torgov is still an adorably thrifty with words and as adept at gentle humor as he was in his first two books, *A Good Place to Come From* and *The Adolescent Versations*. But the story of Maximilian Gluck needs a deeper bite and a stronger sense of satire to save a good novel plot from predictability. Along the way, Torgov's ideas keep being into a few pet ideas—like cars at times, implausible at others, and just a bit baggy throughout.

Torgov is often compared to other writers—a defanged Modest Kundera, a Jewish Stephen Leacock. That may be unfair, but it is temptation when a writer has such soft edges. He captures the absurdities of small-town existence in a delicately Jewish way and he steers clear of urban angst—that's part of his charm. But he also seems to avoid justice. Like the people he writes about, Torgov seems locked up in a gentle prison—and ready for a jailbreak.

—JENNIFER THOMAS

## Indulging in baby talk

PETEL, I LOVE YOU YOU LITTLE SQUARE

by John Gardner  
(Knock House, 20 pages, \$6.95)



Torgov, a defanged Modest Kundera

Twenty-five years ago Hagaritah's John Morley started plying to take the burgeoning world of Canadian letters by storm. Critics lavished praise on his perceptive first novel, *Under the Sign of Death*, a shrewd analysis of the immigrant mind set in Vancouver during the 1930s. Since *Robt* appeared in 1955, Morley has published nothing, giving rise to speculations that either he had said his piece or was working on his magnum opus (after all, didn't *Robt* take 17 years to finish). Peter Weitzman's *News* it appears he has kept on writing, though hardly at a white heat. His second offering is a slim novella with the expressive title *Petel, I Love You You Little Square*. In it, Morley returns to the immigrant community of *Robt*, a world now scarcely recognizable as its children move into the speaking mainstream of Canadian society in the 1990s. As if to express his anger, bewilderment and amazement at the changes, Morley has abandoned the novel's habit of diving for the twining words of surrealistic comedy.

He has created the beautiful, young social worker Eliot, who, despite being the parent figure possible, looks himself pregnant with a talking fetus called Petel. As Eliot wrestles trouble through,

she is also pursued by two hopelessly unattractive suitors who seem to represent the trends in contemporary society of which Morley disapproves. Marty, a gayish who wants to live off Eliot's inheritance, and Alfred, a heartless computer fish who wants to hook the precocious Petel to his terminals. Understandably, Petel is appalled at the prospect of having a child born deep-sea for a father and spends a great deal of the novel exhorting Eliot, from the uterus, to look elsewhere.

There is nothing wrong with this as a naive scenario given a talking fetus, a mad scientist, and a mother Eliot could undoubtedly give a thousand amusing pages. But Morley lacks Gracia's trenchant tonalities, which save the grotesque tale from becoming an over-the-top as an original and disturbing way. On the contrary, having created a thoroughly grotesque situation, Morley quickly looks away from its darker possibilities and gives us something outrageously hilarious and amusing. Petel never even sees the sort of black, intrusive things one would expect from a fetus about to confront the century of Eliot and the Golem. Rather, he indulges in big words, sports bland truisms about the savage origins of the human race and makes fun of both Marty and Alfred's dimensional and pettily only another *Robt* could take them seriously. As a result, Petel's attempts at humor end in a leaden prelude.

—JOHN HENRIKSON

## MACLEAN'S BEST-SELLER LIST

### Fiction

- 1 *The Paradise Motel*, London (2)
- 2 *The One That Got Away* (2)
- 3 *The Man From St. Providence*, with (2)
- 4 *North Atlantic*, John (2)
- 5 *No Conscience*, Parry (2)
- 6 *An Indecent Obsession*, McLean (1)
- 7 *Friday*, McLean (1)
- 8 *Montreal*, McLean, Gross (1)
- 9 *The Nashville Case*, Thomas (1)
- 10 *Relativity*, Thompson (1)

### Nonfiction

- 1 *Joe Foweraker's Work*, Book, Parry (1)
- 2 *The Great City*, Page (1)
- 3 *Years of Upheaval*, Kundera (2)
- 4 *The Country Life Book of Dinah*, Princess of Wales, Lady Diana (1)
- 5 *Living Love*, McLean (1)
- 6 *The Fate of the Earth*, Shost (1)
- 7 *The Holy Road*, with the Holy Road, Shost (1)
- 8 *Life on Earth*, McLean (1)
- 9 *The Umpire Strikes Back*, Leacock (1)
- 10 *Charles and Diana*, Bell (1)

(1) Previews list only



Gardner: the grand notion wrestles particular example to the ground

to dilute his considerable gift for lively, unobtrusive character. Reading the novel is like listening to an engaging teacher who momentarily enchants with wise and witty asides, only to belabor his point by reading verbatim from the text.

The problem lies in Gardner's choice and handling of the protagonist. The point of view is unconvincing—often disconcerting—that of Peter Mickelson, a once prominent professor of philosophy now burning out his middle age at the state university in Binghamton, N.Y. If Gardner had chosen a simpler being (such as the farmer of *Gravel*), such as his example of moral decay, we would have been spared the boring asides into abstract thought that

at student and the persistence of internal revenge, agents investigating his fraudulent tax returns. As an example, he buys a run-down farmhouse in the backwoods of Pennsylvania. What was intended as a tactic turns to torment. The house is haunted by ghosts from an unknown murder, and Mickelson suspects his neighbors to be conspirators in a plot of withers and Moresomes.

From a life of rational theorizing, the professor plunges into "a crowded, gaping assembly of things" when he becomes involved in a chain of murders, one of which he commits himself. In coming to grips with his own actions, the efficient estate a purgatory of madmen and hallucinations but remains isolated enough to endure long rants with

## Great expectations of a Jewish mother

THE OUTSIDE CHANCE OF MAXIMILIAN GLUCK

by Morley Torgov  
(Center and Ocean Deepings, 180 pages, \$22.95)

The 22-year-old hero of Morley Torgov's third book, *The Outside Chance of Maximilian Gluck*, differs from a prodigious common to many of Morley's Jewish brothers or only sons. Roy Woodhouse. It is caused by a swirl of parental love so strong, writes the author, that it "transformed the prodigious child into a maximum sensory looking." Maximilian Gluck's presence is a tightly knit Jewish community in Stettin, a small town in Northern Ontario where his family owns the region's largest furniture store. Before Max is even walking, his parents and grandparents are busy debating his future every night at the dinner table, his mother positively transcendent with visions of the accomplishments to come. "In her son she saw

other way when Shostke's Jews were less than tolerant (and was unfortunately looking the other way when a bus ran him over), they are suddenly confronted by a man whose very presence makes them feel guilty.

Together the overbearing boy and reluctant table act as catalysts on each other's lives. The rabbi, too, has been the victim of overbearing parental expectations. He had really wanted to be a stand-up comic, and it was only after his father broke down and wept that he went into the family business. By the time the rabbi attempts his own pullback, he leaves behind a changed Maximilian.

Unfortunately, the plot waxes in mere suffering than some of the writing.



**T**ORONTO They called it Muddy York, and then Hogtown.

The Americans tried to burn it, the rest of Canada hated it. But nobody ever stopped admiring the drive which made Bay Street the financial centre of Canada, or the climate of confidence sustained by successful entrepreneurs and glooming bank towers.

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Keat (right) with 'Journal' crew in Kampuchea constructing an installation

ent. In fact, although several affiliates experienced lower revenues, as a group they have already demonstrated their confidence by requesting a longer-term agreement for the show. On top of everything else, in its first three months, The Journal's operating costs actually came in under the projected amount in its estimated \$7-million to \$8-million budget.

Most of this passed unnoticed by media critics, who were concerned with giving hardening advice to cohorts Barbara Frum and Mary Lou Finlay. More recent criticism focuses on how the show's flashy technology sacrificed content to form. "It's just a shallow imitation of CBC's *Nightline*," sneered Howard Kins, director of arts for the Rockefeller Foundation in New York. Hugh on the air facts were the spinners interviews which rarely covered the immediacy achieved on the successful radio phone-in show *As It Happens*. Arts coverage was a scintilla, as was M.T. Kelly, co-anchor and media columnist, based at the program's "televised voice of the arts," calling it an "absolute betrayal of the CBC's mandate." Shawcross admits that there is room for improvement in arts as well as in the show's business coverage but pleads time, resource problems and the impossibility of building The Journal in a day. "Our mandate is to construct an installation that should last 10 or 20 years," he says. "When I'm at it, let's hire a band and make something out of it." Let's get an edit suite in Calgary.

Ridiculous cost money, however, so what did happen with those budget cuts? Although the CBC's 1982-83 operating budget of about \$800 million (its 1981-82 budget plus almost 10 per cent for inflation) was approved by Parliament, the "affiliated tower" was significantly lower than what the CBC and all the other Crown corporations had expected from the Treasury Board. About \$16 million therefore had to be transferred from the English-language network. Says Vice-President and General Manager Peter Bernhardt: "We were already eating the bill out of other areas—at some point you simply don't cut any more." As a result, summer operating expenses for the production Journal were cut. The break will bring conference benefits, though, as documentaries are inventoried and new approaches tested: definitely stated is a revamped interview area, so that Frum and Finlay can occasionally talk in the studio to humans, not screens. Rapier radio will grid in, too, with speedation centring on Frum, Finlay and Keat, depending on how local mood, some penetration of the show will (or will not) be rotating next season.

The summer replacement may prove unwittingly beneficial to satisfy Canadian-market requirements, the network will run a largely domestic pursuit of drama, comedy and nature series. This summer's late, plus dreary summer reruns on competing networks, may leave viewers hanging for their nightly fix of current affairs from The Journal once it starts up again in Sept.

As Shawcross says, "People never argue whether we did the right or wrong interview with that Israeli cabinet minister—a year ago they wouldn't have been an interview."

—MARK CHADBOREY

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# Yo ho ho and four bottles of wine

By Allan Fotheringham

It's not the big things government that all you, but the little ones. Harrier on the payroll. Some dumb Liberal cabinet minister phones a judge. René Lévesque's most competent legislative performer steals a sports jacket from Kate's. Success sleeps with a German clergy. The public can grasp these subtleties of government while growing glazed over all the news in the national debt. Vast visions of statesmanship and constitutional reform pall while the headlines rail on power stuff down to the level we all understand—cheating, lying, crooking, weeping. We love to wallow in the Ten Commandments and get a secret thrill when our poor politicians violate them.

So it is with the grand schemes of Social Credit, the Bible Belt descendants who rule Bennett Columbia, otherwise known as British Columbia. They are content in toes, full of recitatives and backslaps, efficiency, clean-shaven, after-shaved—and riddled with fimbles who have broken the number 1 rule of politics: don't get caught with the little stuff. The economy reels, the dollar droops, unemployment soars. What is the main concern of the reporters? It is the Pouilly-Fuissé Koll, Rosedale Bill and The Double Bill, three exciting new beer styles you've ever heard of one. Their images, their sackmen and their imaginary exploits have succeeded in imperiling the chance of the Soviets keeping their throne from the ramorous New Democrats of Dave Barrett, no mean man himself, a cheap beer blather.

The Pouilly-Fuissé Koll is the Hon Peter Hyndman. The phrase "uppercut mobile" was invented for Peter Hyndman. A smooth, ambitious lawyer, he has had the bad luck to have Canadian Affairs in his first portfolio. In the Sacred Cabinet. Had had himself a clerk in his office, disturbed at his expense accounts, photographed all of them and leaked them to the grateful press. The New Democrats, ever mindful of their public responsibility, tossed Allan Fotheringham as a columnist for *Sunday News*.

them to *The Vancouver Sun*, which happens to have a publisher by the name of Clark Davey. Mr. Hyndman, it turned out, had claimed for a \$60,000 meal with Mr. Davey. One small problem Mr. Davey had never faced with Mr. Hyndman. Mr. Davey, no shrinking violet when it comes to personal publicity, splashed the story with coverage only slightly less than that expected for World War III. Of interest was the \$254.87 dinner Mr. Hyndman, champion of BC conservatism, hosted in Vancouver's trendiest restaurant at which his wife and two other couples consorted.



Enter also, four bottles of Pouilly-Fuissé at \$27.50 a pop. Of interest was that one of the guests was stockbroker Peter Brown, who was in a tie for Vancouver's most fashionable millionaire until Nelson Skalbanow took the gas pipe, who usually drinks only Dom Perignon and jokes that he's thinking of suing Hyndman for ruining his reputation because "I don't drink that cheap stuff."

Of interest was the \$1,500 trip to Arizona by the Hyndmans. Of interest was the photographer dangled by the government to the Vancouver Junior League, at which Mrs. Hyndman is president. The public loved it, and the Sun put in a rush order for more newspaper. Poor Hyndman, whose ambrosia stand out as his *Fortune* like heads of wheat, turned it all over to the auditor general and said an examination would explain all. Attorney General Allan Williams (the man who claimed he didn't know anything about the \$80,000 paid to mass murderer Clifford Olson) for some strange reason announced that the po-

lice were looking into the case, further enraging (and depressing) poor Bill Bennett.

The vice, snaffling the page writing out traffic, assaulted the New York expense accounts of Energy Minister Bob McCallum, a swarthy socialist-baiting former country-and-western radio type who still wears fifties as the man of two-by-fours. Bransford Bly, so he was immediately dubbed in the legislature, had blown some \$1,200, including \$225 for tickets to *Super Babes*, the raunchy Mickey Rooney-Ann Miller burlesque musical, while keeping a housewife waiting at the curb. There was Hugh Harris, the unknown finance minister, detected spending \$1,200 on Broadway tickets, including a research trip to *The Best Little Whorehouse in Town*. As things descended to the ridiculous, it was detected (oh shame!) that Bennett's press secretary has charged to the taxpayer two bottles of Johnny Walker Black label to mollify the scribbles at a press gallery party.

All of it makes Bill Bennett weep. A card-carrying workaholic, he labors alone over his papers till midnight in his lonely penthouse. A Scotch from the legislature. He is building the first domed stadium in Canada, a masterpiece of his 200-acre redevelopment of an industrial slum in Vancouver, the largest urban renewal project in North America, which will be finished by a 1990 world's fair. His mega-project of coal shipments to Japan is designed to dramatically shift Canada's export figures. He dreams great dreams—and is gashed instead in Pouilly-Fuissé. MacWae remembers how his father, W. A. C. Bennett, was brought down after 20 years of epic empire-building by the pseudo-scoundrels of Pliny F. Gagliardi, the evangelical speed freak decorated with dubious double books in his jet travels.

Bennett, the first premier to head Mr. Trudeau's request for seats on government employee unions, broke the public with visions of Sodom and Gomorrah dancing in their heels, *Super Babes* and *Whorehouses* in *Town*, washed down with \$37.50 wine in the back of an air-conditioned limousine. He is entitled to finish by dozing.



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